

FINANCIAL TIMES

UNITED STATES 'The stakes are awesome' Page 19

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World News

European TV code hits last-minute objections

Proposed common European rules for cross-frontier television broadcasting ran into serious last-minute objections at a meeting of EC Trade and Industry Ministers.

Students arrested

China arrested two top leaders from the banned Autonomous Student Union, Zhou Fenguo, a physics student at Qinghua University, and Xiong Yan, a law student at Peking University, after launching a nationwide search for 21 leaders.

Korean meeting

A meeting in Moscow between South Korean opposition leader Mr Kim Young Sam and Mr Ho Deun, a senior North Korean official, could lead to a breakthrough in relations.

Tokyo inquiry

Japan's Ministry of Finance, which is known to be uneasy about the recent rise of the dollar against the yen, has begun probing into the currency dealing operations of a number of life insurance companies.

Envoy summoned

British Foreign Office called in Iraq's ambassador to London to express concern about the fate of thousands of Kurds facing deportation from their homes in the north of Iraq.

Cools may be freed

A clandestine group in Lebanon said it would free Belgian Jan Cools, kidnapped last year in Lebanon, in response to an appeal by Libyan leader Muammar Gaddafi.

EFTA policy agreed

Ministers from the six member states of the European Free Trade Association agreed to strengthen the organisation ahead of talks with the European Community.

Soviet gas explosion

Seventy people were taken to hospital with suspected gas poisoning after a tank of chlorine exploded near Khabarovsk in the Soviet Far East.

400 poachers held

Tanzania has arrested more than 400 big game poachers in response to mounting global pressure to ban ivory trading.

Titan-4 blasts off

The \$220m Titan-4 rocket blasted off from Cape Canaveral and deployed a secret military payload believed to be an advanced satellite for nuclear attack early warning.

Soldiers ambushed

The Tamil Tigers, fighting for a separate homeland for Sri Lanka's minority Tamils, said they had killed 14 Indian soldiers in an ambush in fierce fighting in the north of the country.

Reagan 'knighted'

Former US President Ronald Reagan was made an honorary knight by Britain's Queen Elizabeth and he will carry the title Honorary Knight Grand Cross of the Most Honourable Order of the Bath.

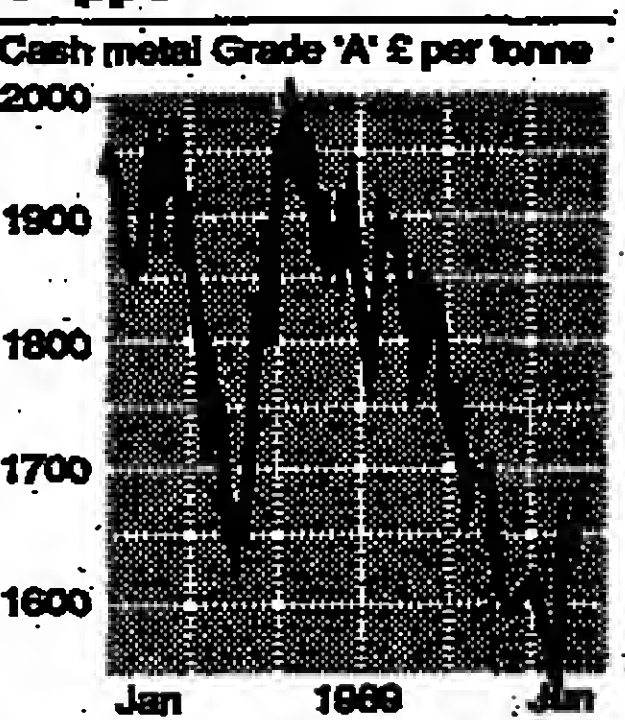
Business Summary

Saatchi to restructure business as profits dip

SAATCHI & Saatchi, world's largest advertising agency, is to "refocus" its business on communications and exploring the possibility of floating or selling its consultancy arm.

Copper

The LME cash price for Grade A copper closed \$1.50 up at \$1.655 while three-month futures increased by \$4.50 to \$1.665.50. The market was



Airlines to ground 737-400 fleets for engine modification

By Michael Donne and Lynson McSpadden

AIRLINES around the world yesterday acted to ground most of the world's fleet of Boeing 737-400s after three separate incidents involving aircraft flying for British airlines, including one which crashed on to a motorway in January killing 47 people.

International that 38 aircraft in the world fleet of 50 737-400s should be taken out of service for modifications to engines from the 737-55 "family".

blades failed on flights out of London. The affected aircraft are dispersed throughout the world. Air Belgium has one aircraft, Asiana of South Korea six, Braathens of Norway one, Euskair of Spain two, Hapag Lloyd of West Germany four, Icelandair two, Istanbul Air one, and Piedmont of the US four.

MARKETS table with columns for Singapore, Straits Times Index, and interest rates.

STOCKS table with columns for New York, London, and Frankfurt.

COMMODITIES table with columns for Gold, Silver, and various oils.

INDEXES table with columns for various market indices.

EXCHANGE table with columns for various international exchange rates.

UK admits obligations to possible Hong Kong refugees

By Robin Pauley, Asia Editor, in London

SIR Geoffrey Howe, the British Foreign Secretary, yesterday admitted for the first time that if Hong Kong inhabitants tried to exercise their rights as refugees after the transfer of sovereignty of the colony to China in 1997 Britain would have to respond.



President Gorbachev, continuing his four-day visit to West Germany with his wife Raisa, brushes down his hair yesterday in Stuttgart before beginning talks with Lothar Späth, Prime Minister of the state of Baden-Württemberg. Report on Page 20

Half of Soviet ministers lose jobs in reshuffle

By Quentin Peel in Moscow

MORE THAN half of the ministers in the Soviet Government appear to have lost their jobs in the massive shake-up announced by Mr Nikolai Ryzhkov, the Prime Minister, last week.

As further details of those involved emerged yesterday, it became clear that more top figures, like Mr Nikolai Gerasov, chairman of Gosbank, the state central bank, had been moved.

An official list of the proposed new government, which is due to be confirmed by the Supreme Soviet next week, has yet to be published. However, most of the newcomers, together with the survivors, were named by Trud, the trade union newspaper, yesterday.

It suggested that about 50 ministers from a total of almost 100 who made the Council of Ministers had gone in the shake-up, although not all of them had necessarily retired.

The newspaper published 89 names of people who had kept their old jobs or been given new, reorganised ministries.

In agriculture, construction, finance and the energy sector, almost all the ministers have been replaced, in spite of the fact that many of them were appointed after Mr Mikhail Gorbachev came to power and Mr Ryzhkov became Premier.

Declining trade surplus raises hopes in Tokyo

By Ian Rodger in Tokyo

JAPAN'S trade surplus dropped 27 per cent in May to \$3.8bn, according to the latest official figures, raising hopes in Tokyo that a year on year declining trend in the country's huge surpluses was resuming.

Japan has come under renewed pressure from the US and other trading partners in recent months because of the yen's rise, which has increased its trade surplus and has been seen as a sign of a strong, unbalanced economy.

also showed that total exports rose 4.9 per cent in value terms to \$21.7bn, while imports jumped 15.7 per cent to \$17.9bn. The US trade surplus with Japan dropped from \$3.6bn in May 1988 to \$2.5bn last month. Exports to the European Community dropped 1.4 per cent to \$1.8bn.

Two leading Spanish savings banks in \$30bn merger talks

By Peter Bruce in Madrid and Andrew Scaife in London

SPAIN'S biggest and third largest savings banks, the Caja de Pensiones (Caixa) and the Caja de Ahorros de Barcelona, have begun detailed merger talks that could result in the creation of the country's biggest financial institution, with a combined balance sheet worth more than \$80bn.

Officials at La Caixa confirmed yesterday that the two institutions, which are both based in Barcelona, had begun preliminary talks two months ago and had only just begun full negotiations. The Catalan Government, which plays a boardroom and supervisory role in the two major savings banks, was told about the move earlier this week, the officials said.

The country's savings banks have increased their share of total deposits from 35 per cent to nearly 50 per cent in the past 10 years, led by the big Catalan ones and the Caja de Madrid, which have made big inroads into mortgages, leasing, life insurance and a number of traditional banking services.

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EUROPEAN NEWS

UN report charts East bloc zig-zag course to reform

By William Dulforce in Geneva

THE DIVERSITY and uncertainty of the economic reforms initiated in the Soviet Union and Eastern Europe are amply illustrated in a book of studies published today by the United Nations Economic Commission for Europe, whose mandate - imperfectly performed in the past - is to serve as a forum for East-West dialogue.

One general conclusion emerging from the book is that it is too optimistic to expect reform programmes, accelerated economic growth and adjustments in foreign trade to be effected at the same time.

It reports a symposium, organised by the ECE secretariat last November together with the highly-reputed Vienna Institute for Economic Studies, which brought together economists and scholars from the seven East European countries, Western Europe and North America.

All the participants, three from each East European country, were invited in their personal capacities and their papers are individually signed.

The result is the most comprehensive and thorough analysis to date of the economic reforms, not when they appear to be gathering unprecedented momentum in the Soviet Union, Poland and Hungary and to have been at least mapped out in Bulgaria and Czechoslovakia.

East Germany and Romania are not yet contemplating significant changes, but in the five reform-oriented countries, the shortcomings of central planning have been recognised.

However, the authors of the individual contributions to the book differ widely on how far and how fast the reforms should go. Hungary and, to a lesser extent, Poland envisage a substantial degree of private ownership even on the production side; others are more tentative in their approach.

Restructuring of institutions is under way to facilitate the introduction of new management systems. Poland, for instance, is cutting 2,500-3,000 of the 12,000 posts in its administrative centre.

One of the most important changes signalled is the separation of central from commercial banking, with separate institutions handling the financing of enterprises. Even in Bulgaria, not usually regarded as a front-runner, credits will be charged interest at rates agreed between the bank and the enterprise, implying that rates can vary and some competition prevail.

Hungary, which is the front-runner, has banks to mobilise private savings. It has

also established a value-added tax and introduced personal income tax.

Significantly, the severest criticism of the economic reforms in the book comes from the Hungarian and Polish contributors - not that they question the need for fundamental changes, but their greater experience of the reforming process has clearly exposed shortcomings and stimulated debate.

There is clear concern about inflationary pressures. The reform programmes have been too complex for quick implementation. Some companies were expected to sell products at old, low prices while having to buy inputs at higher, market-related prices.

Inconsistencies of this kind arise because, in spite of general agreement to expand the role of the market, the state continues to fix prices for many commodities. No country yet has a timetable for introducing a free-market system of price formation.

Foreign indebtedness, particularly acute in Poland, is seen as a potential hindrance because it narrows the scope for flexibility in introducing reforms. A further drag on reform pinpointed in the discussion is the bilateral, barter character of trade practised under Comecon.

The symposium made it clear that the reformers are having to combat widespread public support for some basic values in the Communist system, including egalitarian attitudes towards incomes. Reform means at least temporary reductions in real per capita incomes and private consumption. Conservatives could well find a popular base for their opposition to reforms.

Several contributors stress that a higher level of economic efficiency is impossible without far-reaching political change, implying that the Communist party must become only one among a number of interest groups.

This is a point which appears to have been fully taken in Mr Mikhail Gorbachev's perestroika programme. The summary of the symposium by Mr Josef van Brabant, a UN expert, and Mr Peter Havlik of the Vienna Institute underlines the uniformity of this view. Now the pressure of the West, now the pressure of the East, will be paramount in shaping up the structural changes under way elsewhere in Eastern Europe.

Economic Reforms in the European Centrally Planned Economies, price \$50, available from ADECO, PO Box 463, 1211 Geneva 19, Switzerland.

WORLD TRADE NEWS

Hills tiptoes between the Super 301 protagonists

Nancy Dunne looks at the way the controversial US trade legislation is being implemented

MRS Carla Hills, the US Trade Representative, is treading a fine line, hoping not to alienate American trading partners nor anger Congress, as she moves to implement the controversial Super 301 provision of last year's trade legislation.

Tomorrow, she is to launch an investigation into the six trade barriers selected for removal by the Bush Administration last month and to request consultations with the governments of the three targeted priority countries: Japan, Brazil and India.

This week, the Deputy Trade Representative, Mr Lynn Williams, is meeting Japanese officials in Tokyo to discuss the telecommunications dispute and begin planning a bilateral summit on structural impediments to exports.

The Bush Administration originally considered a list of 30 foreign trade barriers for Super 301, whose removal held the most export potential for the US. The list was whittled down by eliminating those already the subject of bilateral negotiations or deemed best handled through multilateral trade talks.

In the end, the Administration chose to symbolise five categories of barriers with six examples: quantitative restrictions, Brazil's restrictive import licensing system, standards and technical barriers, Japan's practices in forest products, exclusive government procurement practices, Japan on satellites and supercomputers; trade-related investment measures, India for performance requirements, and

barriers in trade and services, India for restrictions on the sale of insurance.

With this narrow, legalistic approach, Mrs Hills hoped to reframe the context of Super 301 as "a tool" to help along the multilateral trade talks while softening the insult to the priority countries.

"We do not seek mindless name-calling to vent frustration at a stubborn and difficult trade deficit, nor a lock-step toward retaliation," she said. "Rather, we seek a constructive setting of priorities, and a responsible application of leverage to achieve maximum market-opening results."

She was optimistic all three countries would agree to talks. The tactic has won support on Capitol Hill. At a committee hearing last week, Mrs Hills

was universally praised and Congressman Sam Gibbons, chairman of the House Ways and Means trade subcommittee, told her approvingly: "Your statement was tough enough to say to our trading partners. We mean business. But it was wise enough to say that we're here to work with you and try to work out these differences."

Only one of several witnesses, Mr Steve Beckman, an international economist with the United Auto Workers, noted that Super 301 "has been reduced to a normal" unfair trade procedure, when the whole purpose of Super 301 was to broaden these discussions to allow all the issues involved in bilateral trade to be discussed.

By targeting Brazil and

India, he said, the administration demonstrated no interest in increasing exports because it did not choose countries with the largest trade surpluses that could afford to buy US goods.

In a related action, called Special 301, the administration said so much progress had been made in talks leading up to the May 30 deadline that no priority countries were named for violations of intellectual property rights. Eight countries - South Korea, Taiwan, Thailand, Mexico, Saudi Arabia, Brazil, India and China - were placed on a priority watch list to be reviewed, with new threats of action by November 1.

Mrs Hills said an action plan, as a negotiating framework, had been developed for each of the eight nations. Some would be required to pass laws to protect patent, trademark, copyright and other proprietary data. Others would be asked to enforce their laws more effectively.

On Korea, for example, Mrs Hills said she would track actions by Korean enforcement entities; "concrete evidence of decreased sales of pirated and counterfeit items," and "constructive participation" in the multilateral intellectual property negotiations.

Next May Mrs Hills must announce whether the six practices have been found to be unfair. If they are, and no progress has been made in talks, the US may retaliate, although this is not required by law unless the practice is found to have broken trade agreements.

Outraged Indians dig in their heels

The US complaint against India could backfire, argues Peter Montagnon

THE US decision to cite India for unfair trade practices under its new Trade Act could backfire by slowing down the more liberal approach to foreign investment that has been gathering pace over the last few years.

This is the view of the business community in New Delhi as it ponders, still with a high degree of outrage and incredulity, last month's Bush Administration announcement that India, alongside Brazil and Japan, had become a priority country for trade action because of its barriers to foreign investment and restrictions on insurance.

The decision caught the government off guard. Despite repeated warnings from US officials that India might well be on the hit list, officials in Delhi believed right up to the last moment that it would escape.

Unlike Taiwan and South Korea, which sought to avoid nomination by negotiating fresh trade concessions, India never took the threat seriously. One conclusion is that it needs to refine its lobbying skills in Washington, which has been exposed as lamentably deficient.

Yet, to many trade experts in and outside India, the government of Mr Rajiv Gandhi could be forgiven for not taking the threat seriously.

India is not alone among developing countries in imposing restrictions on foreign investment. Its insurance industry has long been nationalised and, with few exceptions in the reinsurance and marine cargo areas, is barred to all outsiders, Indian as well as foreign.

India's law, says Mr Dinesh Singh, Commerce Minister, does not discriminate against Americans and is in full conformity with the General Agreement on Tariffs and Trade (GATT).

Still a further source of mystification is why the US chose to home in on investment and insurance when it has a long list of complaints, some of which constitute much more serious barriers to its exports. For one of these, inadequate protection of intellectual property rights, India has separately been put on a special watch list by Washington.

Among the other US concerns are India's exceptionally high tariffs, which at an unwieldy average of 137.4 per cent in 1988 are the highest of any major developing country. Also, India imposes cumbersome import licensing requirements and quantitative restrictions, mostly designed to keep out foreign consumer goods. Its government procurement policies, particularly those of the Oil and Natural Gas Commission, are labyrinthine, the US claims, and its export subsidies have been keeping a charge which Mr Singh vehemently denies.

Using its trade law to attack India for its tariffs and import restrictions might have been rather difficult for the US, however, because India might well have been able to claim under the Gatt that it was entitled to protect its industries at a time of pronounced balance of payments weakness.

The idea of attacking invest-

ment, for which no Gatt rules exist, has seemed more attractive because many Indian businessmen would like to see more foreign investment and technology transfer. Mr Viren Shah, the steel industrialist who heads the Association of Business Federations, says he sees no logic in the 40 per cent capping on the share a foreign investor may take in an Indian company.

As such pressure has grown in recent years the government has moved cautiously to relax this restriction in certain cases, for example where the enterprise concerned is wholly orientated towards export. It would be rash, however, to presume that the US move is likely to accelerate a process which has now in any case moved temporarily onto the

back burner ahead of the elections expected at the turn of the year. India has said emphatically that it will not negotiate with the US. The fear of emptying its negotiating position in the Uruguay Round where both services and investment are on the agenda, provide a sound practical reason for this stance.

Beyond that, however, India takes the view that it should be allowed to determine its own pace of development towards a more open, liberal economy. "No one likes to do anything under pressure. If someone tries to force you, you resist," says Mr Pai Panandikar, Secretary General of the Federation of Indian Chambers of Commerce and Industry, Indian businessmen are agreed that there is absolutely no



Rajiv Gandhi did not take US threat seriously

These are hardly grounds for making India a priority case and, no one in Delhi claims to know the true reason why Washington chose to make it one. The most common assumption is that it was a last minute political decision taken so as to avoid appearing to victimise Japan by singling it out.

If that were the case India might not have too much to fear from the US demands, yet US sources say that threat of sanctions under the Trade Act process should be taken seriously.

That appears to put the US and India on a collision course unless, with a great deal of creative diplomacy, a way can be found of getting round India's refusal to negotiate on investment and insurance, for example by transferring the whole

matter to the Gatt.

At present the chances of that seem remote. Meanwhile, India also has to watch out for the future. Another list of priority countries will be drawn up next year. Given the long list of US complaints about India, the possibility is that this time next year, it could appear to have got off lightly

INTELLIGENCE

VISION

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HUMBERSIDE

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FINANCIAL TIMES
EUROPEAN BUSINESS NEWSPAPER

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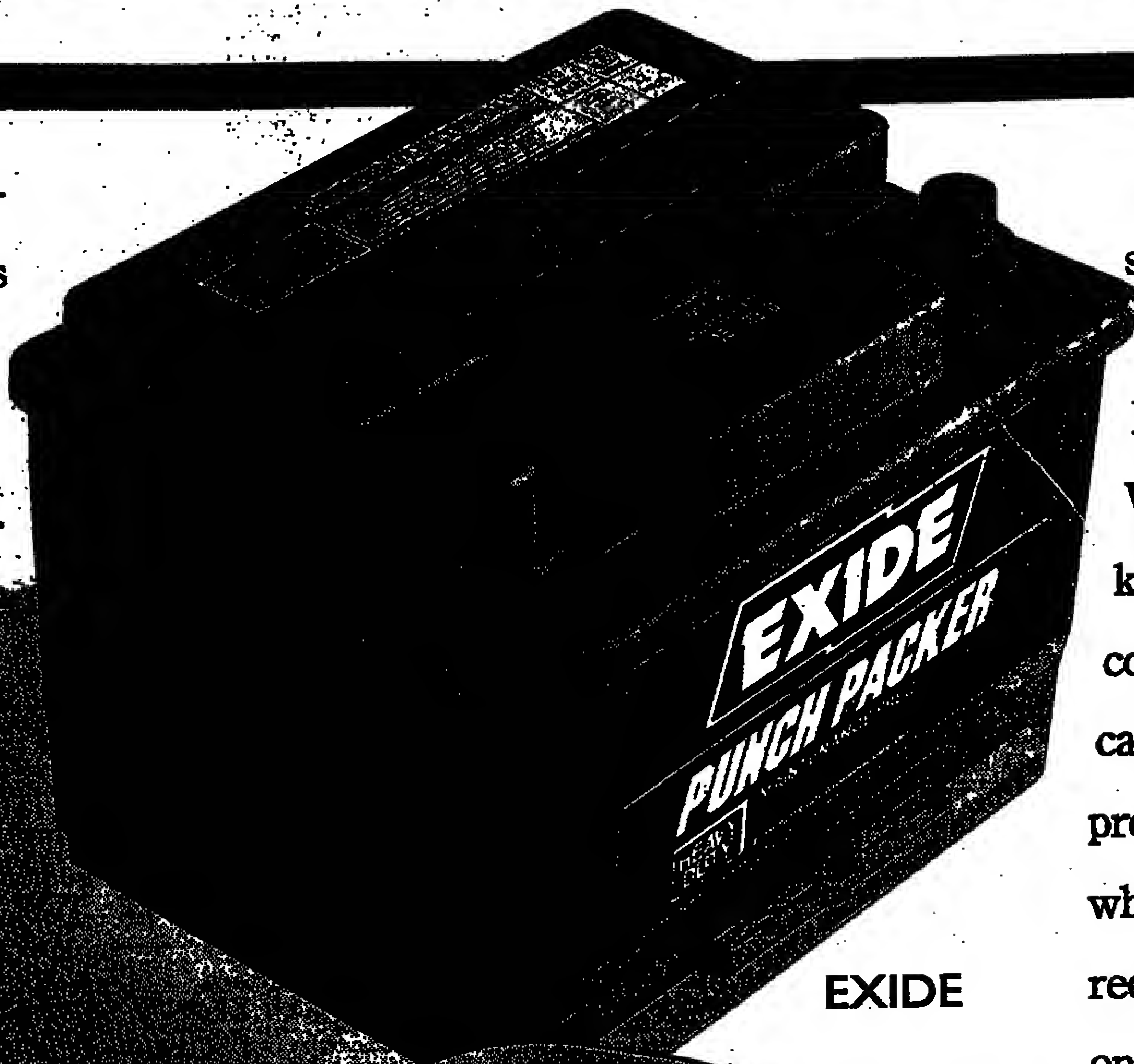
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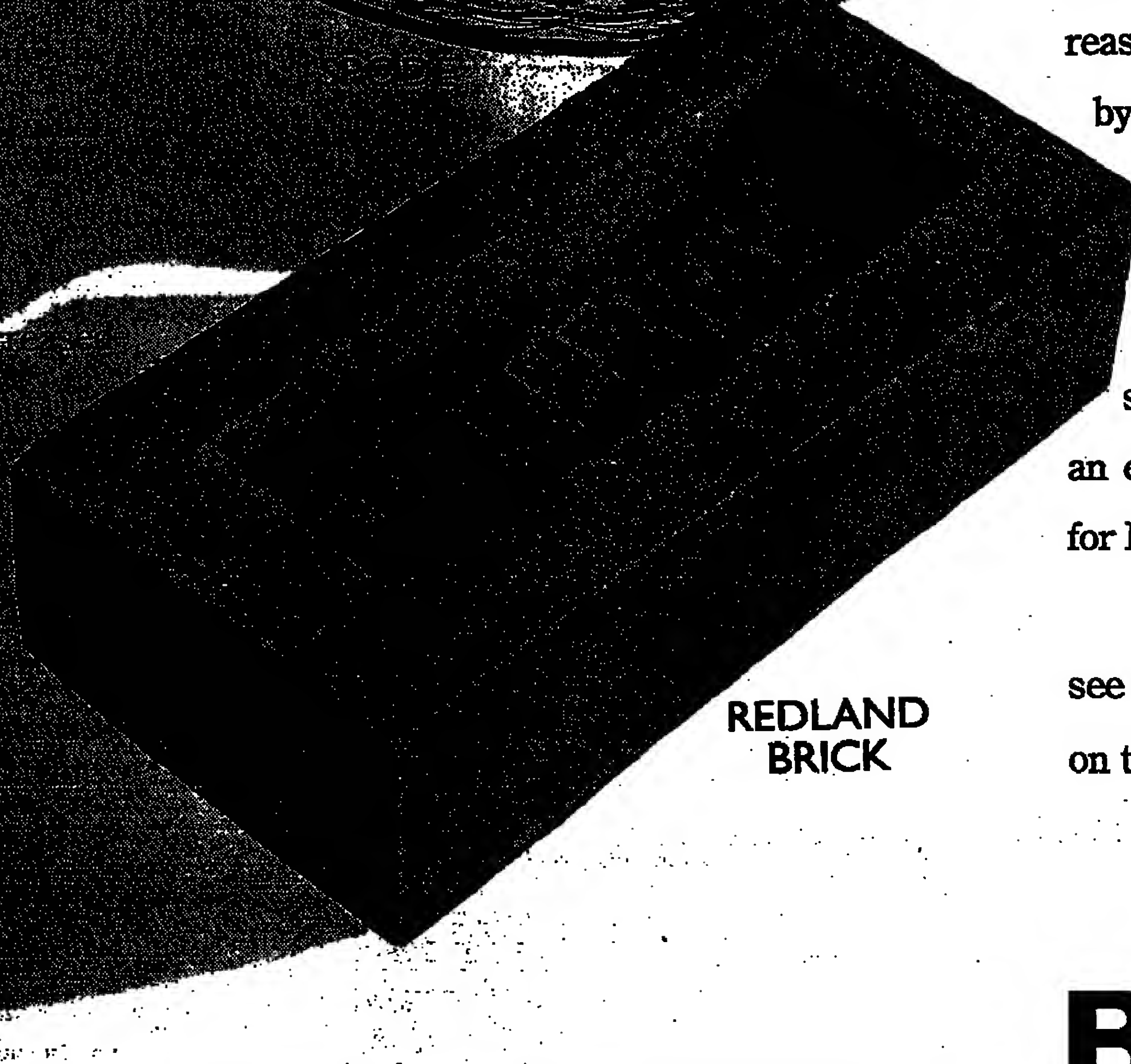
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AMERICAN NEWS

Gephardt elected Democratic majority leader

By Peter Riddell, US Editor, in Washington

MR Richard Gephardt, who unsuccessfully sought the US Democratic presidential nomination last year on a protectionist platform, was yesterday elected Democratic majority leader.

The vote preceded the election of Mr Bill Gray as Democratic majority whip, the third place in the hierarchy. Mr Gray thus became the first black Congressman to take a top leadership position on Capitol Hill.

The elections are part of sweeping changes in the leadership of the controlling Democratic group in the House of Representatives following the resignations two weeks ago of Mr Jim Wright as Speaker and Mr Tony Coelho as majority whip. Mr Tom Foley, the previous majority leader, was elected unopposed as Speaker a week ago.

Mr Gephardt said yesterday: "I think we've got the House back on track. We've got to be able to assert and pass a substantive agenda," referring to legislation on rescuing the savings and loans industry, addressing the US's budgetary problems, day care and parental leave, and ethics reform.

Mr Gray, a minister at one of Philadelphia's largest black churches, won 134 votes against 97 for Rep David Bonior of Michigan and 30 for Rep Beryl Anthony of Arkansas. Mr Gephardt was elected by a margin of 151 votes to 76 over Rep Ed Jenkins of Georgia.

Mr Gray's election is the more remarkable since he has faced reports that the Federal Bureau of Investigation was examining whether there was



Gephardt's election is part of sweeping changes at the top of a ghost employee on his payroll. The Justice Department said this week that Mr Gray was not the subject of the investigation.

Mr Gray was a respected chairman of the House budget committee for four years up to the end of last year.

Mr Gephardt, a member of Congress since 1977 and representing a district in St Louis, Missouri, is an unusually public figure for a member of the House because of his presidential bid last year when he appeared frequently on television urging his populist protectionist themes. There is speculation in Washington about the extent to which Mr Gephardt has now deferred his presidential ambitions and about how much he will tone down his protectionist language.

Inventory-sales ratios move lower

US INVENTORY-SALES ratios regained their low level at the beginning of the year, according to estimates from the Department of Commerce.

Durable inventories, at 1.98 months' sales, were up marginally, despite swollen car inventories, and non-durables reached a low of 1.09 months' sales, writes Anthony Harris in Washington.

This reduction was mainly because of the strong sales

month already reported, up 1.7 per cent from March, but the low historic level of inventories, which have fallen steadily for more than three years, suggests that US business is well placed for any slowdown in sales resulting from currently weak retail demand.

This is the main reason why industrial economists, who expect lower growth, are more confident a recession can be avoided in the coming months.

Doubt over date for handover to Menem

By Gary Mead in Buenos Aires

THE date on which Argentina's president-elect, Mr Carlos Menem, will take office was put in doubt yesterday two days after President Raul Alfonsín announced that he would resign on June 30, six months early.

Both senior Radical and Peronist politicians yesterday suggested that President Alfonsín's resignation at the end of June did not imply that Mr Menem would automatically assume office the same day.

Vice-President Victor Martínez (Radical) and Mr Eduardo Menem (Mr Menem's brother and a Peronist senator) agreed that Mr Menem might take over several days after June 30. One possible date is July 5, Argentina's Independence Day.

Mr Menem is unwilling to take over without guarantees that his government's planned economic legislation will not face Radical opposition in Congress.

Mr Menem's electoral success on May 14 was shared by a number of Peronist candidates for the lower house of Congress. But they will not take their seats (and give Mr Menem an overall Congressional majority) until December 10, the date fixed by the constitution for President Alfonsín to leave office.

Mr Menem had also hoped President Alfonsín's administration would resolve outstanding problems with Argentina's armed forces including what to do with 300 officers who have thrice rebelled since April 1987 and who await punishment.

Yesterday Mr Menem said that "the country will know our economic plan on July 2 or 3", which was seen by some as indirect confirmation that he would move into office at the beginning of the month.

President Alfonsín's government yesterday gave another indication of Argentina's inflationary problems by revising price-control rules for industry. Previously, large manufacturers had been allowed one-month price increases but the ruling permits rises every eight days after authorisation.

Manley turns into a model social democrat

Jamaica's premier is showing more moderation than in the 1970s, says Canute James

WHEN Mrs Margaret Thatcher ends her meeting with Mr Michael Manley, the Prime Minister of Jamaica, at Downing Street tomorrow, the British premier is likely to conclude that their philosophical differences are fewer than she might have expected.

Since taking office after an election in February, Mr Manley has displayed a level of equanimity and moderation far removed from his earlier term in the 1970s. Then, driven by a strident left wing, Mr Manley's administration gave itself over to bombast and ideological sabre-rattling while the economy, hit by high oil prices and low demand for bauxite, the main export, declined rapidly.

After replacing Mr Edward Seaga, the conservative who became prime minister in 1980, Mr Manley's People's National Party appears to have moved right to social democrat principles on which it was founded 50 years ago. The change of government has been unusually seamless for Jamaica.

According to Mr Seymour Mullings, the Finance Minister, the Government intends to continue those of Mr Seaga's policies which worked, and to change those which have not.

Consequently, Mrs Thatcher will find that Mr Manley shares her outlook on some aspects of economic management. Mr Manley is continuing Mr Seaga's programme of reducing the role of government in the economy through

the divestment of state companies and is increasing the incentives for the private business sector to expand, creating jobs to reduce the island's 21 per cent unemployment rate and to lift exports.

Both Mr Manley and Mrs Thatcher, however, are likely to agree to disagree on some issues, including South Africa. Mr Manley shares the belief of many of his Commonwealth colleagues that more economic pressure from the industrialised countries is a necessary tool for eventual social and political change in Pretoria.

Mr Seaga appears not to be particularly impressed with the direction of his successor's policies. "There is a clear preoccupation with form rather than with substance," the former prime minister contends.

"There is also a preoccupation with sending signals, all of which appear to be mixed." If Mr Manley is preoccupied on his current visit to Europe (he will be seeing the prime ministers of France, Spain, Norway and Sweden in addition to Mrs Thatcher) it will be with the state of the island's economy. Recent growth after a decade of stagnation was dampened last September when hurricane Gilbert scored a direct hit on the island.

Gilbert's ghost still haunts the economy, which was running at a rate of 5 per cent last year but which now appears to have expanded by less than 1 per cent. "The effects of the storm are clear in the effect it had on agriculture," says Mr



Manley to meet Thatcher in London tomorrow

Mullings. "The decline in the rate of growth of the economy is due to the storm." The economy could not meet performance targets agreed with the International Monetary Fund under a stand-by credit agreement. Mr Mullings says a new pact has been concluded with the Fund but suggests there will be no fundamental changes in economic policy. He discounts recent suggestions of a currency devaluation, always a politically unpopular measure in Jamaica. The island's currency

was devalued by 70 per cent between 1983 and 1986.

While there are indications that three of the four pillars of the economy - tourism, bauxite mining and refining and manufacturing - will grow this year, agriculture needs time to get over the devastation caused by the storm. Mr Mullings has predicted growth of 4 per cent this year.

But Mr Manley is likely to be troubled by the demands placed on the economy in servicing the foreign debt of \$4.5bn (GBP) which is just over half the island's Gross Domestic Product. Repayment obligations represent 41 per cent of the Government's projected expenditure for this year, says Mr Mullings, and 39 per cent of earnings from exports of goods and services.

Government officials say the prime minister's visit to Europe is not in search of financial assistance "although economic programmes will be discussed". He has already visited Washington and spoken with President Bush, apparently forecasting any repeat of the strained relations with the US in the 1970s.

Mr Manley, however, appears to be treading carefully in implementing his promise to reopen the diplomatic ties with neighbouring Cuba which were cut by Mr Seaga in 1981. "The Government does not want to appear to be in a hurry to restore ties with Cuba because this could be misinterpreted by those who are looking for something

to hit us with," explained a foreign official. "Diplomatic relations with Cuba will be restored, but in due course."

In the four months since it took office, Mr Manley's administration has had mixed reviews. Mr Seaga says that although the storm damaged the economy, the decline in growth is the result of the Government's "inability to manage a market-system economy" in the first few weeks. "It takes only a second to let go of the wheel of a car to crash it," the opposition leader says.

Mr Manley will be more encouraged by the reaction of the private sector. "The Government's effort at continuity is a good thing," says Mr Delroy Lindsay, executive director of the Private Sector Organisation of Jamaica. "Some of Mr Seaga's policies were good but we did not go far enough. Mr Manley is prepared to go further in deregulating the economy and making the private sector the engine of growth."

Mr Paul Chen-Young, one of the island's leading bankers, said the new government "has made a deliberate attempt to cultivate the confidence of the business sector."

But the more moderate face of Mr Manley's new administration ranks with some former party members. "The election has given us a change which is neither of form nor substance," suggested a former member of the People's National Party's left wing which was put to the sword in the early 1980s.

Kraft cheese promotion comes unstuck

By Karen Zagor in New York

A CONSUMER'S dream has turned into a promotional nightmare for Kraft USA foods group after more than 2m winning tickets were accidentally printed for the company's Ready to Roll competition.

The promotion offered the winner of the sole first prize a \$17,000 luxury passenger van. Other prizes included 100 bicycles, 500 skateboards and 8,000 packets of cheese.

The contest, which ran in Sunday newspapers in Chicago and Houston, promised prizes to readers if the game piece in the advertisement matched a game piece in special packets

of Kraft's Singles cheese.

The odds of driving away in a Dodge Caravan should have been about 15m to one, but most of the cheese packages contained winning pieces for the range of prizes.

After more than 100 people claimed the first prize, Kraft USA, a division of Philip Morris, declared the contest null and void.

Already though, two class actions alleging consumer fraud have been filed against Kraft in Illinois's Cook County Circuit Court, according to US press reports, and other suits may follow.

Kraft has pulled the offending cheese packages from supermarket shelves. The company was unavailable for comment yesterday, but a spokeswoman said earlier that "it doesn't appear the mistake was made by a Kraft employee."

A spokeswoman for Product Movers, the company which printed the advertisement claimed the company was not responsible for the mistake.

J. Walter Thompson, the US advertising agency which handles many of Kraft's cheese products would not comment on whether it handled the Singles account.

Buendia murder suspect held

THE former head of Mexico's state security, accused of masterminding the 1984 murder of leading journalist Mr Manuel Buendia, gave himself up on Tuesday after a shoot-out with police, Reuters reports from Mexico City.

No one was injured in the shoot-out outside a house on one of Mexico City's main roads. The suspect, Jose Antonio Zorrilla Perez, surrendered shortly afterwards, the Justice Department said.

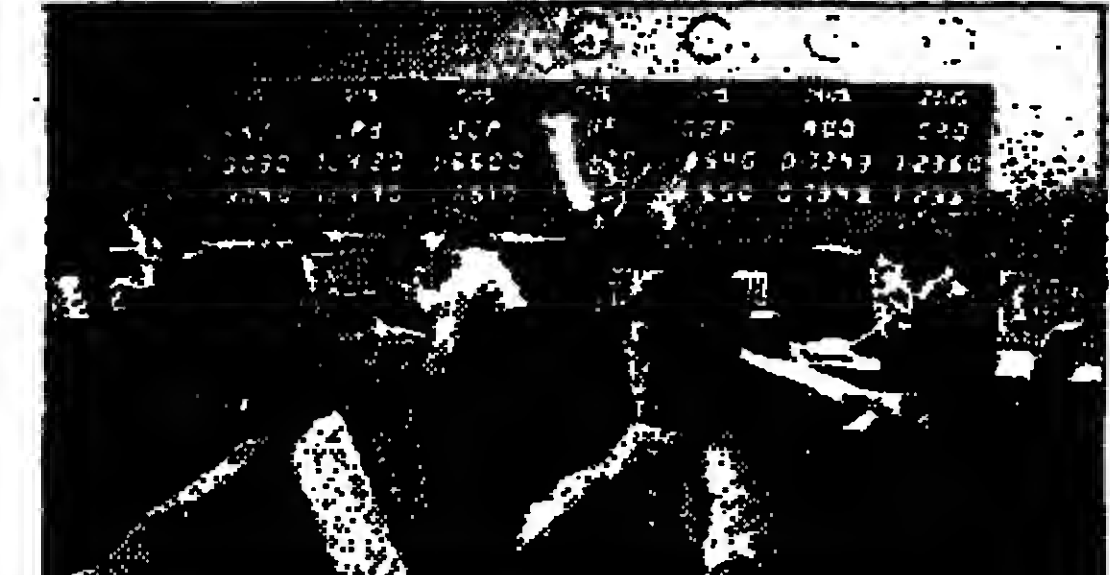
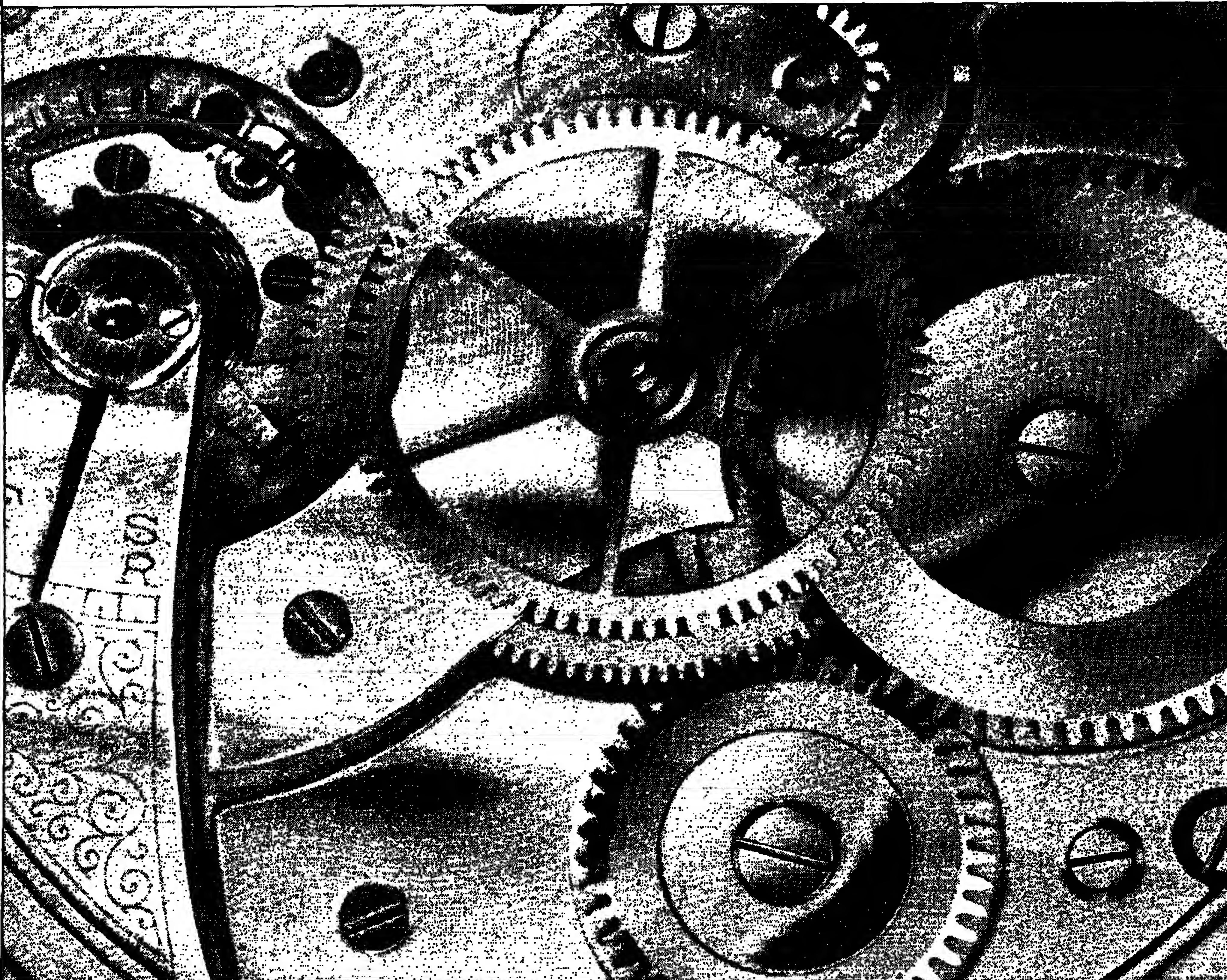
Mr Buendia, who was shot in the back on May 30 1984, near a Mexico City parking lot, wrote a column in the leading daily Excelsior exposing official corruption. Zorrilla Perez was named by

local authorities last Sunday as the man being sought as the suspected mastermind of the Buendia killing, which for five years has served to highlight the dangers faced by journalists in Mexico.

The capital's top justice official, Ignacio Morales Lechuga, said Zorrilla Perez ordered the killing because Buendia had obtained reports of illicit activities of the former security chief.

Zorrilla Perez is the latest of a number of prominent Mexicans, including businessmen and union leaders, to have been arrested since President Carlos Salinas de Gortari took office last November promising to clean up corruption.

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*UNIX is a registered trademark of AT&T



THE POSSIBILITY MADE REALITY.

UK NEWS

Rail, Tube services face 24-hour strike next week

By Charles Leadbeater, Labour Editor

BRITAIN'S railway services could be brought to a halt next Wednesday, after the National Union of Railwaymen yesterday called 24-hour strikes at British Rail and London Underground.

London Underground's services, which carry 2.8m passengers a day during the normal working week, could also be seriously disrupted tomorrow by an unofficial strike by train drivers.

Meanwhile, hopes of averting industrial action by London's bus workers rose last night as union leaders of 13,500 drivers and conductors agreed to put an improved offer to a conference of garage delegates on Tuesday.

BR carries about 2m passengers a day, including 480,000 commuters into London. Rail union leaders predicted the strikes would bring the capital to a standstill. The rail strike will also seriously disrupt travel into other big cities such as Manchester, which has 50,000 rail commuters a day, and Birmingham, which has

35,000. Both British Rail and London Underground yesterday asked Acas, the conciliation service, to approach the unions for talks to settle the disputes. The NUR said it was happy to consider an approach from Acas, but was unlikely to postpone the strikes.

Leaders of Aslef, the train drivers union, which is balloting its members at both corporations, will consider the approach this morning.

The rail strikes follow a ballot in which the NUR's 75,000 members, in a 70 per cent turnout, voted by 29,675 to 20,704 for 24-hour stoppages. It is in protest at the corporation's imposed 7 per cent pay award and its plans to end centralised national pay bargaining.

The underground stoppages are over plans to extend the use of driver-only trains and introduce sweeping changes to working practices and promotion procedures among station staff. NUR members at London Underground voted by more than four-to-one for industrial

action. The NUR executive will next week consider whether to escalate the action by calling an overtime ban at BR and longer stoppages at London Underground. The union plans to meet Aslef leaders today to coordinate its action with Aslef, which is expected to announce the results of its London Underground ballot on June 28.

However, Mr Derrick Fullick, Aslef's general secretary, said he was annoyed that the NUR had called the action for next Wednesday, as this would disrupt his union's ballot and did not provide the foundation for united action.

Meanwhile, TGWU leaders of 13,500 London bus drivers and conductors agreed to take an 8 per cent pay offer to a delegate conference on Tuesday. The offer is in line with an offer made to engineering workers earlier in the week. The union has warned that it would call 24-hour strikes unless the corporation significantly improved its 7.5 per cent pay offer.



THE Queen yesterday bestowed a knighthood on former US President Ronald Reagan. She made him an Honorary Knight Grand Cross of the Most Honourable Order of the Bath - one of the highest orders of chivalry - after a private lunch at Buckingham Palace. Mr Reagan and his wife Nancy went to Buckingham Palace as part of their private visit to Britain. Mrs Reagan looked on as the Queen made the presentation after the lunch.

The former President did not have to kneel but was handed the insignia marking his appointment. Mr Reagan cannot call himself Sir - that title can only be used by the Queen's British and Commonwealth subjects who receive the accolade of knighthood. Asked how he felt, Mr Reagan said: "I feel greatly honoured. I cannot say how proud I am to receive it."

Parties wind up EC poll campaigns

Prime Minister denies rift over economic policy

By Philip Stephens and Simon Holberton

MRS Margaret Thatcher, the Prime Minister, yesterday rejected suggestions she should dismiss her personal economic adviser in order to quash speculation that she is at odds with Mr Nigel Lawson, the Chancellor of the Exchequer.

As the Bank of England was forced again to support a weak pound on foreign exchange markets, Mrs Thatcher also cast severe doubt on whether she will accept the Chancellor's timetable for full membership of the European Monetary System (EMS).

Mrs Thatcher praised Mr Lawson's handling of the economy, and insisted they were united in agreeing that the overriding priority was to bring down inflation.

Speaking at the end of the Conservative Party campaign for today's European elections, Mrs Thatcher avoided any firm commitment that he would be unscathed by the cabinet reshuffle expected next month. But the terms of her compliments - she said she was "fully, fully and fully behind him" - strengthened the view at Westminster that she would find it almost impossible to move him against his will.

Mrs Thatcher was adamant that Sir Alan Walters, who returned from the US to advise her on economic matters last month, should not be blamed for reports of internal differences.

Sir Alan is known not to share Mr Lawson's enthusiasm for attempts to stabilise exchange rates and is a firm opponent of the EMS exchange rate mechanism. Mrs Thatcher, however, dismissed as "absolute nonsense" any suggestion that his continued presence at Downing Street was divisive.

Her comments came amid reports that Mrs Thatcher had rejected a request by the Treasury to include a reference to the need to stabilise the pound in her defence of the Chancellor in the House of Commons last Tuesday.

One senior Whitehall official said she was determined that her emphasis on the need to fight inflation should not be



Thatcher: in fighting mood

confused by statements on exchange rate stability.

The Prime Minister, however, made it clear that she was totally unconvinced that the planned removal by other European Community states next year of remaining exchange controls would persuade her to take sterling into the EMS.

Mr Lawson has indicated that he wants a review of the issue once the controls are removed, but the prime minister said that they were only one of many potential obstacles to British membership.

On foreign exchange markets yesterday, nervousness about today's employment figures, which are widely expected to show a rise in underlying earnings, and tomorrow's retail prices index for May cast a shadow over the pound.

The markets are also not fully convinced that the Chancellor and the Prime Minister have set aside their differences over exchange rate policy.

There is, however, a growing body of opinion in the City that the current level of 14 per cent base rates may be sufficient to hold the pound at around current levels. Among these analysts there is a belief that most of the bad news that could come out of today's and tomorrow's indicators has already been discounted.

Kinnock predicts gains in EC

By Michael Cassell, Political Correspondent

MR NEIL Kinnock, the leader of the Opposition Labour Party, yesterday marked the final day of electioneering for the European Community parliament by confidently predicting gains from the Conservatives and rejecting claims by Mrs Thatcher, the prime minister, that the two parties were now running "neck and neck" in the battle for votes.

Mr Kinnock, who also expects parliamentary by-election victories today at Vauxhall in London and Glasgow Central to help confirm the party's national revival, said Labour would make five net gains "at the very least".

The Labour leader said the figure could be considerably higher, depending on the level of turnout among voters. Some party workers believe the number of gains could reach double figures.

Mr Kinnock said Labour would retain all its euro-seats in London and that it could register some gains.

Victories in the European elections, he added, would represent "further steps on the

way back to government." In the last press conference of Labour's campaign, he returned to the attack on the Conservative Party's domestic record, claiming the Government had "spent 10 years taking Britain deep into deficit and further into division."

The Conservatives, he alleged, had done nothing to prepare the economy so that it would be fit to meet the challenges of intensified competition or to take advantage of improved access on completion of the single market in 1992, when trade barriers will be removed between European Community member states.

In the eyes of the Government, he added, the proposed social charter and the conventions of care, opportunity and

justice which it sought to establish, were issues to be regarded with a mixture of "fear and loathing".

Britain, Mr Kinnock emphasised, should be making and influencing changes that worked in the interests of the domestic and European communities.

Instead, it was ignoring its responsibilities and there was a growing awareness that the Government's short-term outlook had failed to prepare for a future without oil and within the single free left.

Labour yesterday also produced what it described as a "damning indictment" of the Government's record on environmental pollution.

Mr John Cunningham, the party's environment spokesman, issued the results of an opinion poll which showed acute public concern over environmental issues.

He claimed "a huge majority" of people held the Government responsible for failing to achieve and maintain high environmental standards demanded by the EC.

Thatcher defends her corner

By Philip Stephens, Political Editor

THE promise of the ruling Conservative Party to continue their robust defence of Britain's interests within a strong European Community had put them level with the Opposition Labour Party ahead of today's elections for the European parliament in Strasbourg, Mrs Margaret Thatcher said yesterday.

In upbeat mood at the end of what many Conservative insiders have regarded as a shaky campaign, the prime minister suggested there had been an increase in the number of Government supporters during the last few days.

She offered no new evidence from the Conservatives' private polls, however, to overturn the admission earlier in the week that the party was trailing about 5 points behind the opposition. She also declined to speculate on whether the Government would lose some of 45 seats.

The prime minister showed no inclination to back away from the theme - a firm defence of British sovereignty against the threat of a "socialist super-state" - which has characterised the Conservative campaign. She emphasised that the Government's budget deal with the Community had saved British taxpayers £5m since 1985, while it had also led the way in reducing food surpluses. At the same time it had held off against attempts by EC officials in Brussels to impose on "our children's clothes, on the food we eat and on the fuel which heats our homes", and had stopped attempts by other member states to introduce a new European tax on savings. "We fight Britain's corner for a strong Britain in a strong Europe".

She added: "To trade with a country, you do not need to govern all its actions. That is why we do not need a social charter for Europe as a whole".

A socialist Europe would add enormous burdens to industry by restrictions and regulations which would drive jobs to South East Asia and cut off the great wave of investment which Conservatives had won for Britain.

Mr Faddy Ashdown, leader of the centrist Social and Liberal Democrats (SLD), said it was not Mrs Thatcher's right to claim Britain was under threat from Brussels. "Britain is not diminished, but immeasurably enhanced by our close contact with other Europeans and by our increasingly multicultural society," he said.

The European elections were about whether Britain could face up to its future in Europe. Only the SLD, he claimed, had put forward a vision of Britain leading Europe into its next stage, adding that Mrs Thatcher's nationalism was holding back EC progress.

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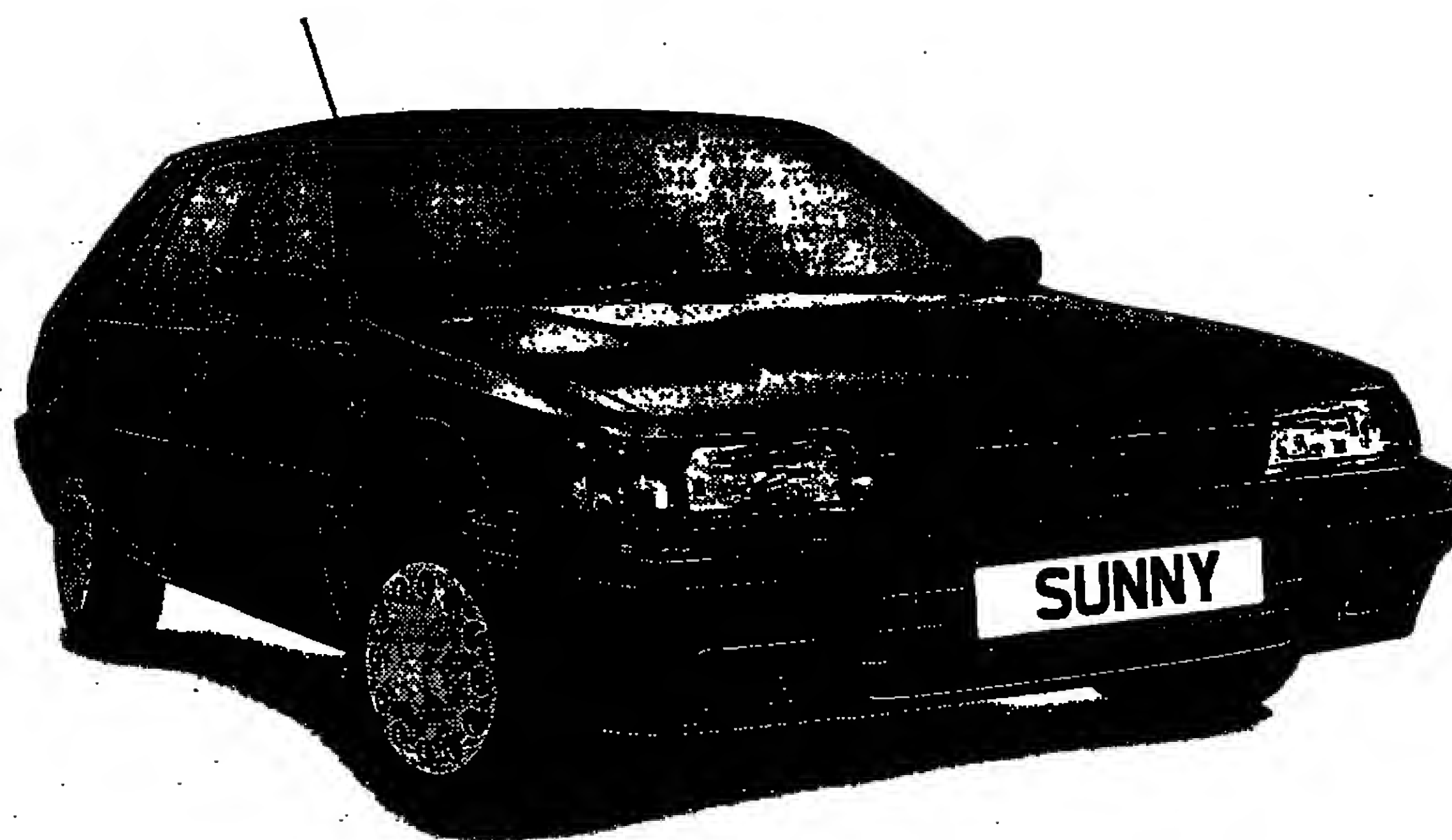
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Premiums.**

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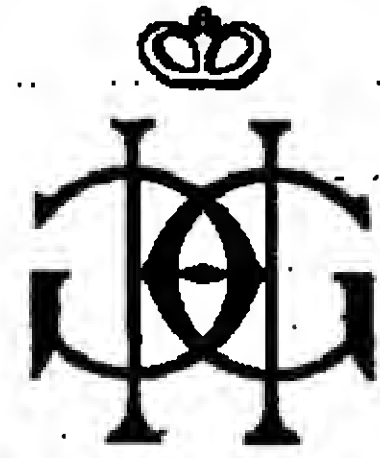
Price excludes delivery and number plates.

*Does this remind you of the
kind of service you could only get in
yesterday's Grand Hotels?*

Perhaps the death of the grand hotel is being mourned prematurely. There is still a hotel in London where the service remains unashamedly old-fashioned. A place where you still get the feeling that nothing is too much trouble. This is Grosvenor House. But anyone who has not visited the 'grand old lady of Park Lane' recently may be surprised to find that although the service remains as attentive yet unobtrusive as ever, the building itself is now even more luxurious. Grosvenor House, with its exclusive Crown Club for business travellers, world famous Ninety Park Lane restaurant and unique Health Club, now offers its guests the widest range of facilities of any five star hotel in London. But one thing never changes. Walk into Grosvenor House and you feel like you're stepping back fifty years to a time when hotel keeping really was about individual service. And if you've forgotten what that was like don't worry, we haven't. Telephone Grosvenor House 01-499 6363. A Trusthouse Forte Exclusive Hotel.



*It was taken at
Grosvenor House
only yesterday.*



GROSVENOR HOUSE

MANAGEMENT: Marketing and Advertising

One autumn day in 1986 the world's third largest computer company lured one of its employees to its Detroit headquarters on false pretences.

The employee - Lee Machen, a project manager in the company's Atlanta office - had been told to travel to Detroit for a marketing presentation. On arrival he was presented with a cheque for \$5,000 as his prize for winning the competition to invent a new name for his company.

Unisys, his name for the product of the merger between Burroughs and Sperry, is now recognised throughout the world. When the name was first unveiled it was greeted with derision. "If Unisys was the winner, imagine how the losers sound," was a typical comment. Today it is regarded as one of the world's most successful corporate identity programmes.

The search for a new name began in June 1986, as soon as Burroughs had reached agreement to acquire Sperry. Michael Blumenthal, the cigar-toting chairman of Burroughs and the architect of the acquisition, was determined that the deal should be regarded as a merger, not a takeover, and create a new force in international computers.

Blumenthal had a clear vision of the kind of company he needed to create. In the 1980s the big companies which buy information technology systems had become increasingly internationalised.

Both Burroughs and Sperry had extensive international networks. But, until a few years before the merger, they had adopted different corporate identities for different divisions and in different countries. Neither gave the impression of being an international company.

The new company also needed to be recognisable outside the computer industry. The cost of information technology has become so high, that the decision to buy a new system is now made by main board, but at this level the names of Burroughs and Sperry were frequently unknown.

Blumenthal needed a new name and he needed it quickly. He was well aware of the anxiety created among employees by a merger. In this instance the anxiety was exacerbated by the long standing rivalry between the two companies and the unhappy history of past mergers in computers.

As soon as the ink had dried on the acquisition papers, he established a transition team - composed of five senior executives from Burroughs and three from Sperry - and 13 middle management task forces to examine every aspect of the two companies and produce proposals as to how they should be integrated.

Blumenthal also briefed Jeanette Lerman, vice-president of corporate communications, and David Wright, director of corporate identity and design, to oversee the creation of a new name and identity. They had both joined Burroughs a few years previously to orchestrate its new identity programme.

Lerman and Wright managed the

Corporate identity

A derided name that has confounded the critics

Alice Rawsthorn on the making of the Unisys computer group's image

Unisys programme from start to finish. "It essential that the same people are involved throughout," says Lerman. "In many companies the chairman will start by showing a deep interest and then delegate to a lower level. By the time the programme is completed it is often handled by somebody so junior that they had not attended the original briefings and do not know what was specified."

The first step was to appoint a design consultancy. Lerman and Wright invited six consultancies to pitch for the project to a very specific brief. They then took up "references" on each consultancy from the consultancies' former clients with programmes of a comparable scale to check on their comparative strengths and weaknesses. They chose Anspach Grossman Portugal, the New York consultancy which had worked on the name change from International Harvester to Navistar.

Lerman and Wright also specified exactly who they wanted to work on their project. "Too often clients see a top team at the pitch only to find themselves working with juniors," says Lerman. "Our timescale was so tight we could not run the risk of making mistakes."

They adopted the same approach in appointing Young & Rubicam as a corporate advertising agency. From the beginning Lerman insisted that AGP and Y&R should work together. "We did not have time to waste by saying the same things several times to different people," says Lerman.

The next step was to launch a company-wide competition to invent a new name. The competition was also designed to distract employees' attention from the uncertainty surrounding the merger.

"Everyone could participate regardless of rank and location," says Lerman. "It gave people something to think about other than 'Will I keep my job?' and something non-divisive to talk about when they met for the first time."

But the competition was a risk. No-one knew what the level of response would be. AGP generated nearly 6,000 names as an "insurance policy" in case the employees' suggestions were unusable.

By the time the competition closed in late July more than 31,000 entries had arrived at Detroit. Some employees suggested one name. Others sent in hundreds. Suggestions ranged from Blue Busters, to Reach for the Sky and Yet Another Computer Company.



Michael Blumenthal

AGP drafted preliminary logos for the six shortlisted names. Lerman and Wright had learnt during the Burroughs identity programme that symbols can cause difficulties and that the same design which had worked so well on a Detroit letterhead might not look so good on a sign outside a Denver factory, or on the quality of paper used in New Delhi. They stipulated that the logo must be a word - without an accompanying symbol - and that it must be applicable to different materials.

The final choice was made by Blumenthal, Lerman, Wright and members of the executive committee. Although Blumenthal, who is famous for his draconian management style, played a leading role, Lerman sees this as an advantage. "We were working to such short timescale that management by consensus would have been impossible," she says.

When Unisys was finally chosen - "It was the memorable, international name we had been looking for," says Lerman - AGP devised five final designs for the logo. Blumenthal took just 20 minutes to choose one of them.

While the lawyers were conducting a worldwide legal search on the Unisys name, AGP drafted designs for stationery, signs, badges and brochures. Y&R, which did not yet know the new name, completed the creative work for the ad campaign using an anonymous blob as the logo.

Only a few people within Burroughs and Sperry were told the new

name. In the meantime the new company was referred to as Newco. David Wright designed a corporate logo for Newco and Blumenthal ordered a batch of Newco baseball caps. Whenever anyone said "At Burroughs (or Sperry) we did it like this" at management meetings, Blumenthal told them to put on one of the caps as a "punishment".

Lerman and Wright prepared for the implementation of the new identity. "Too many programmes concentrate on design at the expense of implementation," says Wright. "The key to a successful programme is making sure that the identity is understood and used properly throughout the company."

The programme was orchestrated from the US but they issued specific instructions on implementation to the directors of communications in each country. Lerman and Wright also took responsibility for ordering new stationery and signs in the US to benefit from bulk buying from the centre.

For Burroughs they had negotiated signage contracts for different areas of the US and individual countries, but for Unisys they chose a national contractor for the US which sub-contracted in other countries. This cut the cost of signage from the \$10m originally expected to \$3.5m.

Business cards were ordered in bulk. This cut the cost of a box of cards from \$40 to just \$3.50 in the US. They also redesigned the implementation manual - usually a "bible" containing every aspect of the identity - into five manuals covering different areas. This meant that the manuals were not only easier to use, but less expensive.

The legal search on Unisys was completed on November 6 and the new name was unveiled on November 10. The timescale for the programme was unusually tight. Ken Love, the AGP partner responsible for the project, says he has never finished an identity project so quickly.

On the day of the launch the company had its new name and logo emblazoned across two signs at world headquarters in Detroit, one sign outside the corporate headquarters at Blue Bell in Pennsylvania and the business cards of the 12 top executives.

The launch was accompanied by the beginning of Y&R's \$20m worldwide advertising campaign. Lerman and Wright then embarked on the process of implementing the programme through the design manage-

Do not use the logotype with out the dot

UNISYS

Do not change the size of the dot

UNISYS

Do not change the shape of the dot

UNISYS

Do not repeat the dot

UNISYS

Do not place the logotype on a heavy textured background

UNISYS

Some "don'ts" from the book of Unisys corporate identity standards. Chairman Michael Blumenthal describes the programme as setting "the standards for the visual expression of who we are and what we stand for - strength and solidity, excellence and innovation"

ment structure they had established with the heads of communications. Over the next year the Unisys logo was introduced to everything in the company from business cards to carrier bags.

Unisys' research showed that within six weeks of the launch the new name was recognised by 16 per cent of its US "target audience" of the managers who might be involved in the decision to purchase an information technology system. The recognition rate has since risen to 45 per cent.

David Wright believes that the most important element in the programme's success was that the company was absolutely clear about what it wanted from its new name and identity from the very start.

"A successful programme is all about being extraordinarily specific about the job to be done," he says. "If you are not precise then the consultancy may think you mean one thing, when in fact you want another."

"Creating an identity programme can be like leaving a very expensive taxi meter to run and run. The 'I'll know whether I like it when I see it' attitude can cost an awful lot of time and money."

Striving to be a third force

WHEN MICHAEL Blumenthal announced the coup of his business career - the merger between Burroughs and Sperry, its age-old enemy - one sceptic likened it to "hitting the Lusitania with the Titanic".

Both companies could claim a proud history of innovation. Burroughs began in business by inventing the adding machine in the 1890s. Sperry started with the gyroscope in the 1920s. But after the relentless rise of IBM in the 1960s, they were relegated to the "dinosaurs" of US computers.

Burroughs had been revitalised under the leadership of Blumenthal in the early 1980s. But Blumenthal, who is as renowned for his strategic sense as for his indifference to day-to-day management matters, realised that Burroughs alone was too small to remain competitive in the international computer industry.

In 1986, on his second attempt, he orchestrated the \$4.5bn acquisition of Sperry. He then acted swiftly to merge the two into Unisys.

Blumenthal envisaged Unisys as a dynamic third force in international computers. Initially the merger went well. The new company benefited from cost cutting. Moreover it managed to shunt off the old association of Burroughs and Sperry with old-fashioned mainframes through its involvement with Unix, a new industry standard for computer operating systems.

But Unisys is in trouble. It lurched into a \$78.7m loss on revenues of \$2.2bn in the first quarter of 1988; when sales of its old mainframes slumped before a replacement range had been introduced. It also suffered from a freeze on new US Navy contracts after the Sperry defence procurement scandal.

Unisys insists that it can overcome these problems. And Blumenthal is still committed to turning it into a \$20bn corporation by the early 1990s.

Marketing abstracts

1992: The cant dispelled. *M. van Mesdag in Industrial Marketing Digest (UK), Vol 13 No 4 88 (7 pages).*

Objects to implications in "1992" articles that there will then be a "single market", refers to almost 900 differences (not listing them) between the members countries that will remain; mentions and appraises three alternative marketing strategies. Auditing your customer service activities. *J.I. Coppett in Industrial Marketing Management (US), Nov 88 (8 pages).*

Using the term "auditing" in the US connotation of "reviewing" with the aim of improving, looks at the manifold aspects that can be considered now that the economy's emphasis is moving to service and customer expectations are rising. Stresses that suppliers what their customers' expectations really are, and provides a categorisation of customer service requirements. Points made are illustrated from real life, such as the "cool" (free) line of a DIY company on which technicians help customers with minor repairs. Sponsorship strategy is adrift. *D. Gilbert in The Quarterly Review of Marketing (UK), Autumn 88 (4 pages).*

Notes the reasons for sponsorship and proposes a definition that sponsorships be based on a "business decision that a subsidy will be given in return for material benefit"; welcomes the move towards re-naming sponsorship sports marketing; points to failings in sponsorship and suggests areas of change, for instance, in setting tighter objectives and strengthening sponsorship's linkage role between promotion and public relations.

Selling: treat sales agents like family. *M. Everett in Sales & Marketing Management (US), Jan 89 (5 pages).*

Describes the dilemma of the manufacturer who sells through independent agents: entrust your wares to well-established agents, and you'll be "teeth out of the bag", which means no sales; switch to hungry young agents, and they won't even get a foot in the target's door. Yet manufacturers who have a happy relationship with their independent agents can do well.

These abstracts are condensed from the abstracting journals published by Ashor Management Publications. Licensed copies of the original articles may be obtained at a cost of 25 each including VAT and p.p.t. each month from Ashor, 20 Bow St, Woking, Surrey GU24 0JF.

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TECHNOLOGY

التمويل الإلكتروني

The M25 London orbital road is jammed again. So too is the Paris Périphérique and the Triboro bridge out of Manhattan. You turn on the radio to hear a "traffic flash" repeating earlier warnings of long delays and suggesting you avoid the area. However, advances in the digital electronic equipment fitted to cars will enable motorists to avoid such jams.

Digital radio gets set to steer the driver around a jam

Paul Abrahams explains how advances in car electronics can ease traffic headaches

From July, drivers in the UK will be able to ensure that they do not miss those all-important traffic flashes. A new service, using a technology called radio data system (RDS), will be available on BBC local radio stations in London, Essex, Bedfordshire and Kent. The scheme will eventually cover the UK and may be extended to Europe.

RDS uses a specially adapted radio. The machine will automatically interrupt other radio stations, the cassette player or the silence of the mute mode to give the latest local traffic update on the nearest local station. Afterwards the system returns to the interrupted programme.

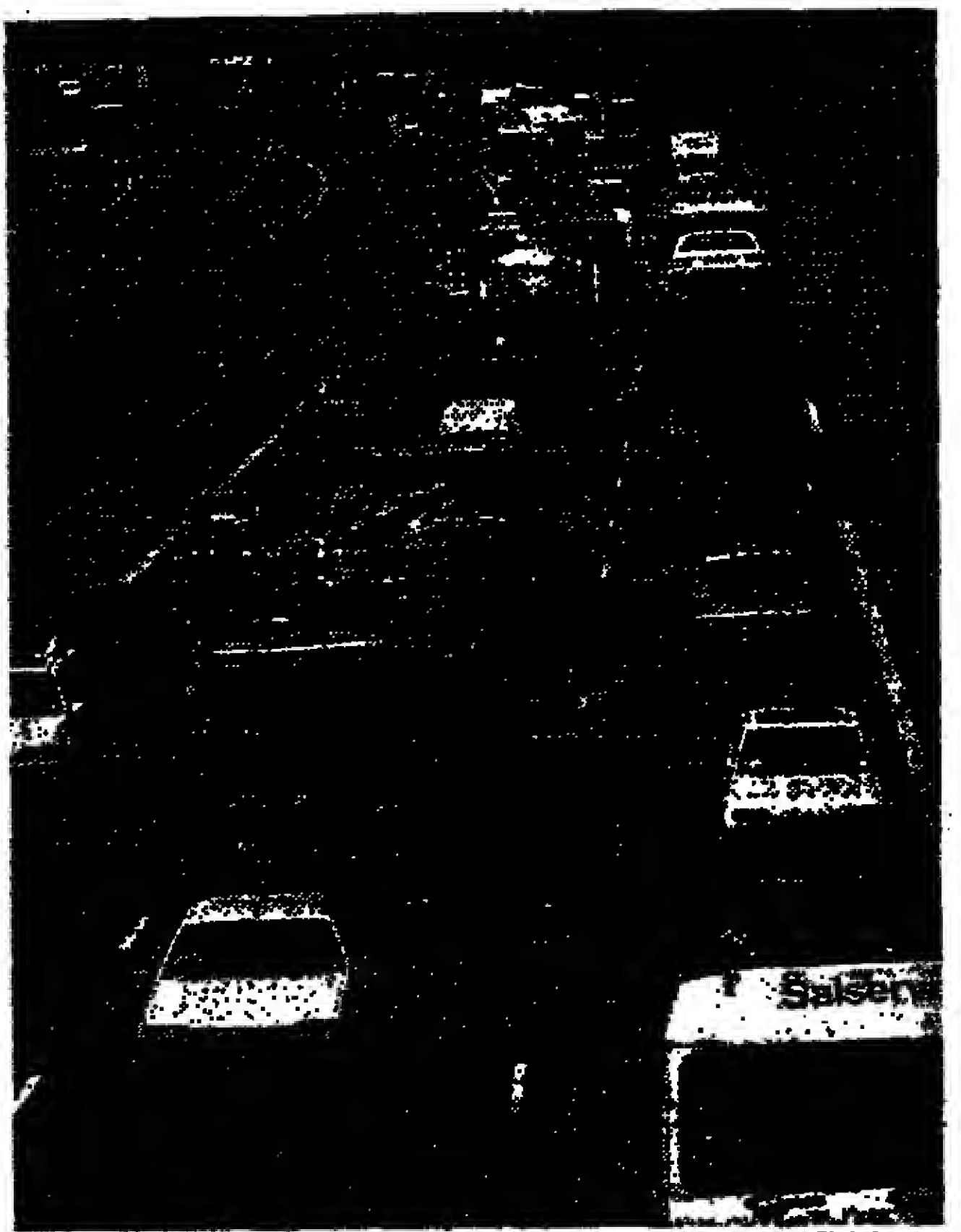
The technology enables a radio station to transmit digital codes simultaneously with ordinary FM analogue radio programmes. These inaudible codes, which are broadcast at a rate of 1,187 bits a second, are recognised and decoded by the adapted radio. Transmitted at the beginning and end of each traffic flash, the codes warn the radio that a relevant message is being broadcast.

RDS has other uses. Manufacturers say that eventually

each station will send out a signal identifying the sort of programme it is broadcasting. This will allow a driver to choose a programme by its subject matter and should reduce those dangerous moments spent tuning to a specific station while trying to steer the vehicle.

In the meantime, there are plans to internationalise the traffic information service. Digital information about traffic and road conditions could be broadcast at the same time as the traffic flash. This code would identify the road with the problem and the length of the likely delay. The information would then be displayed on a screen or sent to a printer or voice synthesiser.

In theory, if the codes were standardised, a French car in the UK or a Dutch car in Italy would be able to pick up the digital message and then translate it into a language understood by the driver.



The sort of traffic jam on the M25 which a radio data system could help the motorist to avoid

Sharp and Pioneer, of Japan, and Grundig, of West Germany. At present, such radios cost about £350, but the BBC hopes to sell a portable RDS machine for home use for about £100 in 1990.

The problem with broadcasting digitally is that the amount of information entailed in achieving present compact-disc quality - 44,100 bits of data a second - is far too great for standard radios to handle.

The answer is to reduce the number of bits, which can be done by eliminating inaudible frequencies.

The advantage of a digital car radio is that it can compensate for any distortion. Recent tests by the European Broadcasting Union in the mountains around Geneva found that only a few trained musicians could hear the difference between digitally broadcast music and compact discs.

The advantage for the manufacturers of such radios is that the components could be reduced to a couple of microchips, which would make the systems more reliable and cheaper to produce because assembly would be highly mechanised.

Philips believes that car electronics will become increasingly important. It points out that because the demand for aerodynamic performance has limited the scope for differentiating saloon cars by shape, manufacturers will want to install electronics as an alternative way to gain competitive advantage.

The company estimates that eventually as much as 50 per cent of the cost of a car could be made up of electronics. But that depends on whether the consumer sees the car as a vehicle for entertainment, or just as a method of getting from A to B.

Water authority finds way to filter information

A Britain's water privatisation plans swing into action, the 10 water authorities in England and Wales are turning to computer technology to ease the move to the private sector.

One example is Wessex Water, which covers more than 2m consumers from Bristol to Bournemouth. It has adopted an executive information system (EIS) to try to give its managers a better insight into their business.

An EIS is a software package which runs on a personal computer and extracts information from a company's web of data processing centres - in Wessex Water's case, computer systems from IBM, Digital Equipment National Advanced Systems, Wang and Hewlett-Packard. It then presents the data in an easily accessible way, including charts or graphs.

Colin Skellett, chief executive of Wessex Water, and his senior managers use a Comshare EIS package to filter out important data. Previously, they had found that whenever they asked for more information, they were inundated with paperwork.

This point is echoed in a survey of 100 senior managers, carried out by Comshare, of Michigan. Forty four say that they receive too many reports, and 45 that they use subordinates to sift out relevant data.

According to Ian McNaught-Davis, managing director of the UK arm of Comshare, it is a case of "data, data everywhere and not a thought to think."

Instead of employing subordinates to extract information, the EIS system does it through customised software, which arranges and displays the data in the sequence preferred by the individual executive. When a problem area is spotted - a loss in a particular sector, for example - the executive can "bore down" through the layers of data to seek the cause.

The introduction of the EIS system at Wessex Water has given the management the confidence to review the organisation and to streamline some of the management tiers, says Skellett.

Tailoring the software to the needs of the individual executive and the way that executive works is responsible for about half the cost of an EIS system. Such systems cost between \$55,000 and \$200,000, but they are selling like hot cakes because executives believe that they extract the data which can put them on top of a situation instantly.

Other vendors of EIS packages include Execucom, of Austin, Texas; Pilot, of Boston; and Metapix, of Kingston upon Thames in the UK.

Della Bradshaw

Head start for digital sculpture

NOUVEAU Sculpture, of London, has developed a system of laser scanning and digital measurement which, combined with a milling machine, is able to record the dimensions of an object in three dimensions and then produce an exact replica from a plastic block.

One application is for automatic sculpture - the three-dimensional equivalent of a photograph. The sizer simply keeps still for 15 seconds while a scanning and measuring laser camera is rotated the full 360 degrees around the sizer's head. The system, a short range optical radar, operates 25 cm from the subject's head and takes measurements in a series of "slices".

The resulting digital data is processed and fed to a milling machine working in the vertical plane upon a rotating block of material. The "sculpting" of the sizer's personal sculpture takes one hour or more, depending on the complexity of the work, and the type of material used.

The electronics can scale the size up or down and accuracy better than one per cent is claimed. Apart from "solid photography", which the company sees as being at the same stage as ordinary photography at the turn of the century, there are applications in military engineering, and in medicine for the modelling of limbs, organs or teeth.

A further possibility is the copying of valuable objects, such as antiques. In the artistic world, the machine makes it possible to manipulate shapes into new forms.

Photo-realism for architecture

NOT LONG ago, the representation of landscapes in right simulators, or of moving mechanisms in computer-aided design, called for room-sized computers at prices that put such technology beyond the reach of all but large companies and the military.

But the hardware has become steadily cheaper and more powerful and, according to UK company F Solutions, has now caught up with the architectural software that it has written. The software, called Sonata, when running on the Personal Iris 4D machine from Silicon Graphics, produces "a major step towards photo-realistic images of buildings."

Using Sonata, an architect can view designs from any angle and produce the effect of walking round the building with a video camera. He can then incorporate changes and, at the touch of a button, automatically update all the drawings.

For exterior work, the architect can see how the building will cast shadows every minute of the year, while the interior designer can experiment with different furniture, decor and lighting.

Help with fighting disease

PLANT Safety, of Manchester, has launched a service to help prevent outbreaks of Legionnaires Disease.

The bacterium which causes the disease incubates in warm water, for example in wet cooling systems, and is spread in airborne spray.

The new inspection service aims to help manufacturers to operate safe installations and maintain them properly. It

WORTH WATCHING

Edited by Geoffrey Charlish

checks that the buildings comply with both the Health and Safety at Work Act and new regulations on the control of substances hazardous to health.

First a survey is made of the building's heating and ventilation system, including water sampling. If necessary, modifications to plant and equipment are recommended.

The company has a staff of 500 and operates from regional UK offices using a network of engineering surveyors.

Desk-top bonus via US-Japan link

ARDENT, the US maker of desk-top mini-supercomputers, has been promised an additional \$50m by its manufacturing partner and principal investor, Kubota of Japan. This will double the Osaka company's share in Ardent, bringing it to about 44 per cent.

Allen Michels, Ardent's chief executive officer, says that the move reinforces a unique American-Japanese partnership and could "set a precedent for future trans-Pacific relationships."

Some of the money will be used to complete development of a family of high-power machines, scheduled for announcement later this year. This will range from a low-cost "truly personal" desk-top mini-supercomputer to a full-scale mini-supercomputer.

Although it has only recently entered the computer business, Kubota claims to be the leading supplier of large-scale graphics processors in Japan.

Sounding out paper tension

ABB INDUSTRY, part of ASEA-Brown Boveri of Sweden, has devised a non-contact method of measuring tension in the paper web at paper mills.

The system measures tension across the width of the paper by an acoustic method and eliminates tension problems, which can cause wrinkles in the paper, web breaks and poor results in subsequent printing.

Called Tension, the system uses a loudspeaker to generate waves directed at the web. The faster the waves travel in the web, the higher the tension, and the system measures the velocity.

The waves are monitored by a laser-based system, the signals from which are processed by computer to produce a screen display.

CONTACTS: Nouveau Sculpture: London: 020 7622. F Solutions: UK: 0452 85461. Plant Safety: UK: 081 424 9771. Ardent: UK office, 0828 94000. ABB Industry: UK office, 081 427 8282.



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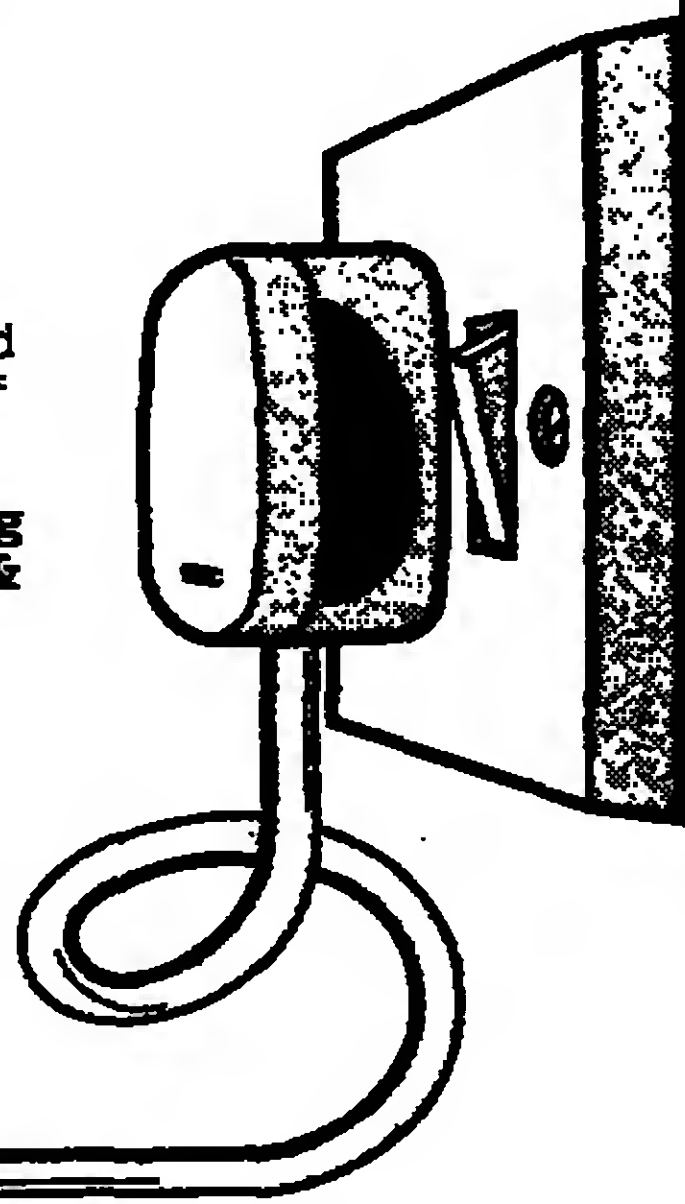
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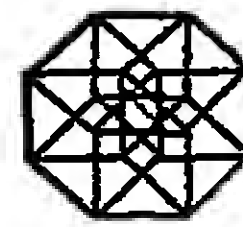
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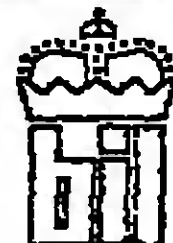


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This is a career appointment of partnership status which will involve participation in the development of the firm and responsibility for the planning, direction and control of the non-legal functions of the firm's business, including those relating to financial management, personnel, office services and technology, and partnership secretary, in order to maintain and develop the comprehensive administration services of the firm.

The successful candidate, who is likely to be aged 35 to 45, will be a skilful communicator of proven ability with considerable discretion, drive and determination who has had relevant experience in a senior capacity with a significant organisation.

Please apply with CV and details of current remuneration, quoting JH/706, to:

Michael Williams,
 John Hamilton Associates,
 Icorgate House,
 Dukin Place,
 London EC3A 7JE.
 Tel: 01-623 9752



John Hamilton Associates
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FINANCIAL DIRECTOR DESIGNATE ADVERTISING - BIRMINGHAM

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Service industry experience, computer numeracy and total commitment are essentials.

Initially reporting to the Financial Director, it is envisaged that the successful candidate will succeed to this role within 6 to 12 months.

An attractive package including a company car is offered. Please send C.V. to Philip Skinner, Financial Director, Harrison Cowley Advertising (Midlands) Limited, 154 Great Charles Street, Birmingham B3 3HU.



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FINANCE DIRECTOR

Leisure Industry

£45,000 plus executive benefits

Our client is one of the largest UK leisure companies, with a broad, and successful span of operations, all dedicated to capturing an increasing share of a highly competitive and changing market place. These operations are run by autonomous Boards whose objectives are to grow and diversify their businesses and provide the customer with a quality of service that exceeds expectation.

The Finance Director in such an environment is obviously critical to success. Not merely in a functional sense in protecting the financial interests of the business, but in being a major and imaginative contributor to commercial thinking.

The successful applicant, probably aged between 30 and 40, will be a graduate accountant, who has qualified with some ease, and an executive who has already some experience of management at a senior level. If that experience were gained in a decentralised environment, involving fast moving, customer-led markets, it would be ideal. We would be particularly interested in seeing people from the retail, or service sectors. To apply please write to David Pakeman at:-

THE LLOYD GROUP
 Alhambra House, 27-31 Charing Cross Road, London, WC2H 0AU
 Fax: 01-925 2220 Tel: 01-930 5161

THE LLOYD GROUP

ALHAMBRA HOUSE, 27-31 CHARING CROSS ROAD, LONDON WC2H 0AU FACSIMILE 01-925 2220 TELEPHONE 01-930 5161

Director of Finance

Stockbroking


City £60,000 + benefits

Our client is an established and well respected firm of City stockbrokers, in which a European Bank has a major stake. They have been consistently profitable throughout the dramatic changes of the last two years and they are now looking to their immediate future with a view to further strengthen their current market position. Consequently, they have identified the need for a strong and competent Director of Finance.

Reporting directly to the Chief Executive, the appointee will assume overall responsibility for all financial and IT functions. It is envisaged that the role will develop into full Board status within one year of joining. The Director of Finance will be expected to play an advisory and proactive role with regard to the firm's future growth and development.

Ideally, candidates will be qualified Chartered Accountants, aged between 35 and 50, with a proven track record in the Securities industry. Strong management skills and a working knowledge of computerised accounting and settlement systems are essential.

Interested candidates who meet these criteria should send a detailed curriculum vitae including current salary and daytime telephone number to Carol Jardine quoting reference LM588 to Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.



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North West

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The Building Products Division of the highly profitable Whitecroft Group is a £40m+ t/o operation comprising 9 autonomous companies each with ambitious and progressive plans for the future.

Reporting to the Divisional Chief Executive, this is a first-class career-step opportunity for a qualified accountant. In addition to your responsibilities for the standards of financial management throughout the Division, you'll have a major role in determining long-term financial strategy and in developing plans for acquisitions and internal expansion. Regular company visits will be an essential feature of the role and you must therefore have the maturity and interpersonal skills to work closely with the senior management of each company.

The ideal candidate, aged around 30, will be a computer literate, commercially minded accountant preferably with experience in the manufacturing sector.

An excellent salary and benefits package including quality car reflects the importance of this position.

To apply, write with full personal and career details to Dr R.J. Galt, Group Personnel Manager, Whitecroft plc, 51 Water Lane, Wilmslow, Cheshire SK9 5EX.



Profile Management Search

FINANCIAL DIRECTOR DESIGNATE

Negotiable £30K + Bonus + Car

A regional house building Company, based in the Home Counties and part of a public Group, requires a qualified Financial Controller who would be appointed to the local Board within six months.

Candidates aged 27 to 40 should have financial and management accounting experience using integrated computer systems. Building or property development experience would be an advantage, but commercial acumen and the personality to influence Board decision making in a strong management team are essential.

The package is excellent and progressive for the successful person, and career opportunities in this Group are outstanding.

Please reply in complete confidence, with full curriculum vitae, and current salary, quoting reference G35 to:

PROFILE MANAGEMENT SEARCH
 Tabard Chambers, 53 Northgate Street, Gloucester GL1 2AJ

Company Secretary Designate

Surrey **c.£30,000 + Car**

Well-known engineering services contractor seeks a Company Secretary Designate to carry out the functions associated with this position and to have significant involvement in acquisitions. Preferred age 32-47.

Candidates will be Chartered Accountants with senior experience of this function, ideally in construction or related industries. Promotion to Company Secretary of this expanding group is a short term expectation.

For fuller details write in confidence to R. B. Raworth at J.C.P. 104 Marylebone Lane, London W1M 5FU, demonstrating your relevance clearly, and quoting 4104/FT.

John Courtis & Partners
Search and Selection

Financial Director Designate

Wiltshire based: Circa £30,000 + car

Our client is an established and actively expanding, US owned company which specialises in the marketing and manufacture of Durable Medical products. With annual sales of just under \$10 million, further growth is planned in the UK and continental Europe.

Initially, the priority will be to ensure the soundness of existing accounting procedures and to substantially develop cost accounting and other management information facilities. This will include the implementation of new information technology which will provide an integrated production and accounting system. The medium term objective will involve influencing the strategic direction of the UK company as a senior member of the management team. The ideal candidate will be professionally qualified, probably aged 28-35, with relevant commercial experience, preferably in a manufacturing environment. Essentially, you will be used to operating within tight-schedules for group accounting and reporting and should be conversant with the PC based tools available to today's accountants.

A competitive reward package will match the importance of the role and there are clearly excellent career development opportunities.

Please write with CV to David Dodd, quoting Ref. 17586. MSL International (UK) Ltd., Broad Quay House, Broad Quay, Bristol BS1 4DL. Tel: (0272) 276617.

MSL International

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Coventry Climax Engines Limited a well known West Midlands based light engineering company is forming a number of independent product based companies.

Each of these businesses will have its own management team headed by a General Manager and in order to complete this plan the company is seeking to recruit additional financial controllers for positions in the West Midlands, North East, North West and Portsmouth.

Reporting to the Group Financial Director these vacancies provide an excellent opportunity for ambitious, self motivated, young chartered accountants. As a member of the management team your role will be to provide strong financial and commercial disciplines particularly with regard to:

- Financial budgeting, forecasting, reporting and control
- development of costing disciplines and systems

Familiarity with computerised accounts and the associated costing system of a manufacturing environment is essential. Knowledge of M.O.D. contracting experience would be preferred but not essential.

Candidates interested in applying for these positions should write in the strictest confidence enclosing a comprehensive C.V. to:

SUE OGLEBY
COVENTRY CLIMAX ENGINES LTD
MILE LANE
COVENTRY
CV1 2NG

GROUP CHIEF ACCOUNTANT

LONDON, MAYFAIR

c. £30K plus car and benefits

Our client is a rapidly expanding, UK based, fully quoted Group. Its business interests include leisure, manufacturing and distribution in both the UK and Europe.

A graduate qualified chartered accountant, aged 28-36, who has at least two years experience, with a large multi-national organisation, is now being sought to join the management team as Group Chief Accountant.

Reporting to the Finance Director, the Group Chief Accountant will be responsible for planning and coordinating the preparation of the group financial statements and budgets. This position will involve the development of accounting and reporting systems in the UK and other European countries and offers considerable scope for overseas travel.

The successful candidate will be proactive, and be able to keep pace with the expected growth of the Group, and should have the potential for promotion.

Please send career and personal details to:
David Heaton, Group Finance Director,
73 South Audley Street, London W1Y 5FF.

COMPANY NOTICES

DURBAN ROODEPOORT DEEP, Y LIMITED
Company Registration No. 01/06924/06

EAST RAND PROPRIETARY MINES, LIMITED
RAND PROPRIETARY MINES, LIMITED
Company Registration No. 01/06773/06
(Both Companies incorporated in the Republic of South Africa)

The boards of directors of these companies have decided not to declare dividends for the year ending 30 June, 1989.

By order of the Boards,
RAND MINES (MINING & SERVICES) LIMITED,
Secretaries,
per V M MURTON

Registered Office:
15th Floor
The Corner House
63 Fox Street
Johannesburg 2001
(PO Box 62370,
Manhattan, 2107)

Secretaries in the United Kingdom:
Vladux Corporate Services Limited
40 Holborn Viaduct
London EC1P 1AJ

14 June, 1989

RM
RAND MINES

INTERNATIONAL APPOINTMENTS

INTERNATIONAL Internal Audit Supervisor

SWIFT

£ 30 - 35,000 (equivalent)
Brussels

The Society for Worldwide Interbank Financial Telecommunication s.c. (S.W.I.F.T.), whose headquarters are based near Brussels, is an international service company working for the benefit of its members and users, over 2900 major banks.

S.W.I.F.T. enables extremely fast, efficient and cost effective international banking services through its state-of-the-art computer based communication system.

A newly created function of Internal Audit Supervisor is being established as a consequence of the organisation's growth in recent years.

The function will cover the planning and supervision of both financial and operational audits, advising at a high level on matters related to the improvement and effectiveness of management controls and procedures. The role will also involve some project work and there will be some international travel (15-20 %) to operating units within the organisation.

The successful candidate will be a qualified accountant probably aged 27-32, with audit experience gained either working for an international audit firm and/or the internal audit department of a multinational company. Experience in the field of computer auditing would be considered an asset.

This is an excellent opportunity to join a highly successful multinational organisation at an exciting stage of its development. The organisation is one of the most prestigious employers in the heart of Europe; working conditions are superb and the benefits package attractive.

Initial interviews will be in London, Amsterdam and Brussels.

Interested candidates should contact John ARCHER on Brussels: (010222) 647.6150 or send their detailed curriculum vitae to FOUNTAINE ARCHER VAN DE VOORDE S.A./N.V., avenue Louise 222, 1050 Brussels (Belgium) quoting reference JA/40L.

FOUNTAINE ARCHER VAN DE VOORDE

SELECTION & SEARCH
FINANCE - ACCOUNTANCY - BANKING

CHIEF ACCOUNTANT

Kent c £26k + Car

Our client is the major manufacturing subsidiary of a medium-sized, highly successful international group manufacturing, marketing and developing high quality products and growing strongly in Europe, the USA and Far East.

The Chief Accountant will be responsible for managing the finance function and providing an effective management and financial accounting service to the company within well developed and professional group financial procedures.

Applications are sought from qualified ACMA's or equivalent with at least three years post qualification experience and probably aged mid 20's to early 30's. Experience in managing accounting staff is essential together with a desire to contribute fully to the management of the business. Experience in process manufacturing industry would be beneficial.

The remuneration package of around £26,000, a car and excellent benefits includes generous removal expenses to the Kent area, if required.

There are excellent career development opportunities in this growing group. Please reply in confidence giving full personal career details, quoting ref. 671/FT to:

ST. JAMES'S MANAGEMENT RECRUITMENT
The Recruitment Division of John Lloyd & Partners Limited, Management Consultants
33 St. James's Street,
London SW1A 1BU (01-493 1788)

NOTICE TO WARRANT HOLDERS OF GUNZE LIMITED

US \$25,000,000 5% per cent. Guaranteed Notes due 1990 with Warrants

NOTICE IS HEREBY GIVEN, in accordance with Clause 4(A)(iii) of the Instrument dated 16th December, 1985, made by Gunze Limited (the "Company") in connection with its issue of bearer warrants ("Warrants") to subscribe up to \$5,000,000,000 for shares of the common stock of the Company, and Condition 11 of the Terms and Conditions of the Warrants that, by a merger agreement (the "Merger Agreement") dated 23rd May, 1989 between the Company and Shin Osaka Zoki Co., Ltd. ("Shin Osaka"), the Company will merge with Shin Osaka subject to approval at the meetings of the shareholders of both the Company and Shin Osaka to be held on 29th June and 30th June, 1989, respectively, and further subject to completion of certain procedures required to be taken under the Commercial Code of Japan. The merger will be consummated on 1st October, 1989, will be reported at the meeting of the shareholders of the Company to be held late November, 1989 (scheduled) and is expected to become legally effective early December, 1989.

Pursuant to the Merger Agreement, the Company will absorb Shin Osaka, which will be dissolved. Shareholders of Shin Osaka will receive 6.3 shares of the Company in exchange for one Shin Osaka share. In addition, the Company will distribute 145 yen per one Shin Osaka share to the shareholders of Shin Osaka as of 30th September, 1989.

The merger will not result in any adjustment to the Subscription Price of the Warrants.

GUNZE LIMITED
By The Mitsubishi Bank, Limited
as Principal Paying Agent

Dated: 15th June 1989

PLANNING MANAGER

£32,000 + Car + Bonus

Our Client is a substantial plc with interests in retail, financial services and property. Already dominating niche markets, development will continue through maximisation of profit in core businesses and acquisitions in target sectors.

An opportunity exists in the planning area at Group head office. Reviewing plans and forecasts for a core division and presenting a strategic overview to senior management, (up to main board level), the role embraces the identification of operational profit opportunities. Controlling 2 qualified staff, the job holder will develop and maintain relationships with senior management within operating companies. The role also includes an emphasis on the production and presentation of ad-hoc reports at the request of the main board.

Candidates will be young, qualified Accountants with planning/analysis experience gained within a fast-moving environment. Promotion prospects are excellent.

Please apply directly to Greg Ripley at Robert Half, Freepost, Walker House, Bedford Street, 418 The Strand, London WC2R 0ER. Telephone: 01-836 3645, evenings 01-483 1356. Fax: 01-836 4942.

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TANJONG TIN DREDGING PLC

(Incorporated in England)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at New Essex Street, London W1M 1BA, on Friday 24th June 1989 at 11.00 a.m. to consider, as it thought fit, the following resolutions which will be proposed as Ordinary Resolutions:

RESOLUTION 1
That Mr. Helen Kook be and is hereby appointed a Director of the Company.

RESOLUTION 2
That Mr. Helen Kook be and is hereby appointed a Director of the Company.

By Order of the Board
H.C. Paine
Secretary

Bronkley House
Newlands Drive,
Widnes,
Essex, CH49 2UL
ENGLAND
26th June 1989

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QUALIFIED ACCOUNTANT

to assist the Accounting Manager in the preparation of management accounts, budgeting, implementation of budget and project controls.

The candidate we look for will have a university level qualification (Chartered Accountant or equivalent) and a minimum of three years of experience, preferably with a large accounting firm or in industry. S/he will be familiar with PCs, and experience with Microvax systems would constitute a further asset.

Language skills (English as working language) plus at least French and/or German, flexibility, willingness and ability to work as part of a team are the other qualities expected from the right candidate.

We offer a competitive salary in a multi-language, multi-cultural working environment, located in an attractive setting, near Luxembourg.

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SOCIETE EUROPEENNE DES SATELLITES
Finance Department
Chateau de Bezdort
L-6832 BEIZDORF
LUXEMBOURG

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APPOINTMENTS ADVERTISING

For further information

call 01-873 3000

Deirdre McCarthy
ext 4177

Paul Maraviglia
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Patrick Williams
ext 3694

Candida Raymond
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Financial Accountant Capital Markets

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The position will have responsibility for the financial accounting function, regulatory control and reporting, management information and Head Office returns, as well as the development of internal controls and procedures. The ability to communicate with dealers and senior management is therefore essential.

Representing an ideal opportunity to join a fast-expanding financial control function, the importance of this role will be reflected by an attractive remuneration package and a generous range of banking benefits.

Initially, please write to: Vivien Karan, Personnel Department, LTCB International Limited, 5th Floor, 18 King William Street, London EC4N 7HR.

LTCB

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ARTS

CINEMA

Bond: licence to become just any old spy

Licence To Kill is the sixteenth James Bond film. I saw the first, Dr No, on a day out from school in 1962. My failure...

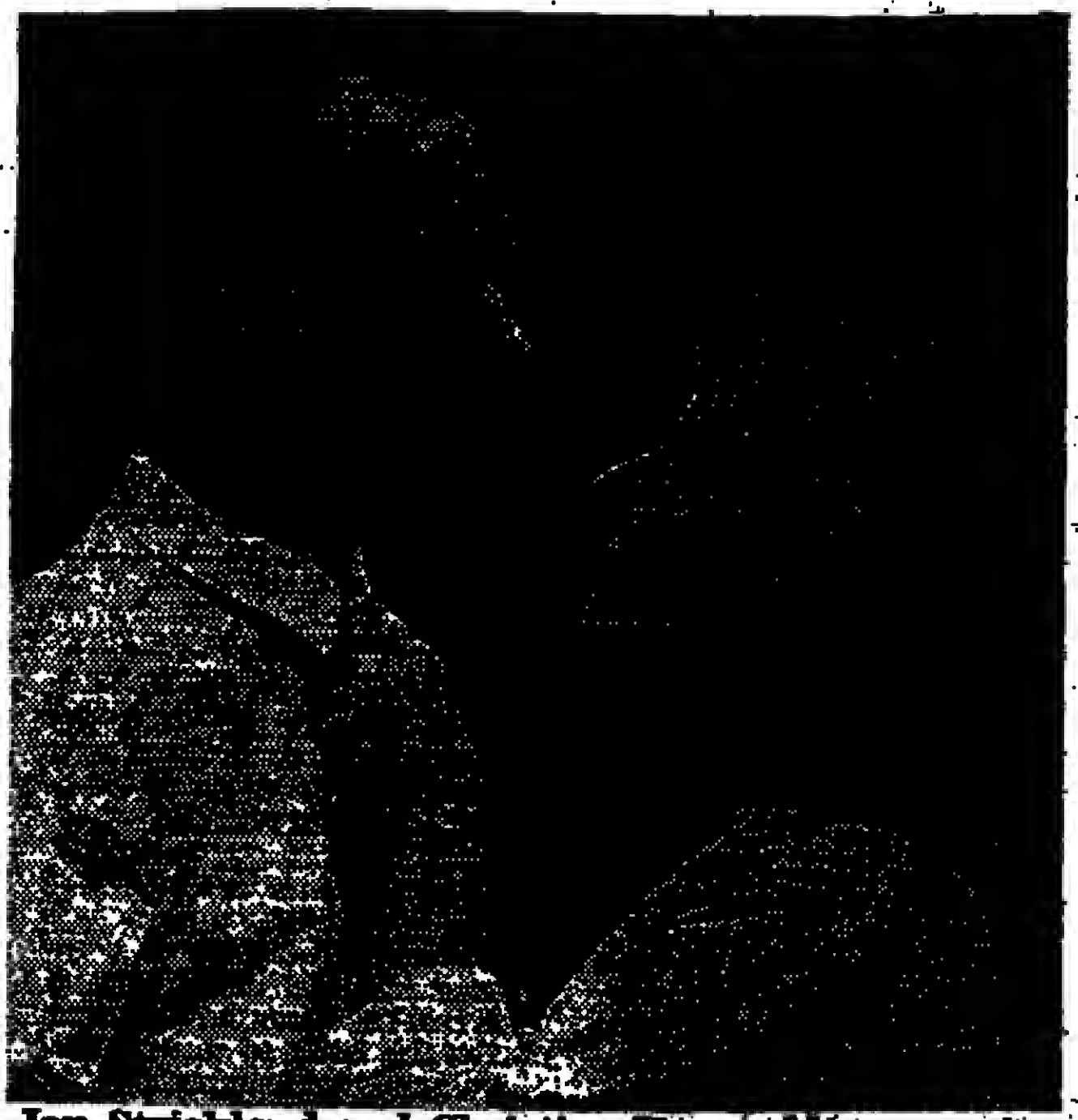
LICENCE TO KILL Albert R. Broccoli WOMEN OF A NERVOUS BREAKDOWN Pedro Almodovar LANDSCAPE IN THE MIST Theo Angelopoulos

city from Mr Dalton. Whether Mr D will be in Bond no. 18, we shall see. Either way, a series whose uniqueness has always lain in its ability to once to showcase...

sonp. We titter at the whey-faced friend who wears coffee-pot earrings and is running from Shitite terrorists. And we chortle at the camp, bleached-blond cab-driver whose leopard-skin-upholstered taxi contains a drink cabinet, a magazine rack and a "Thank you for smoking" sign.



Timothy Dalton in "Licence to Kill" home to find his father in Germany is even raped in the back of a van in one scene. A young Orson Welles befriends and rescues them and becomes the third main character.



The Revengers' Comedies

STEPHEN JOSEPH THEATRE, SCARBOROUGH

By way of a 50th birthday present to himself, Alan Ayckbourn has written one monster five-hour play in two parts. The Revengers' Comedies constitute his 87th piece, which takes him, immerically speaking, just about level with Shakespeare.

We start on Albert Bridges, London, where two would-be suicides Henry Bell and Karen Knightly, save each other and repair to a motorway cafe to swap tales of woe and, finally, revenge strategies. Divorced Henry has lost his job in a rationalisation process initiated by the ghostly Bruce Tick (who has, of course, a wife and two little ticks). Karen has been ditched by a vile, gun-toting adulterer, and has set his wife, Imogen Staxton-Billing, firmly in her sights.

These are the best scenes, set in a quickly reinvigorated version of Daphne du Maurier's Mandragora, with an impetuous Henry (played by Michael Coveney) turning blind eyes as quick as look at you, and an entire pair of glorious local types including Donald Douglas's crusty colonel (Karen's uncle), Claire Skinner's brightly purified Tweeny, and Alwyn Taylor's volubulous councillor, the little maid's aunt.

Michael Coveney

Farrowland

LYRIC STUDIO, HAMMERSMITH

Elizabeth Bond's new play brings an authentic whiff of rural decay to a studio theatre quietly stewing in its own consumption of the London heatwave. A certain shared discomfury only adds to the pungency of characters locked in the blood, sweat of tears of survival in a land that is slowly but surely being eroded beneath their feet.

Dispossession and despair are the themes of a play which raises the spectre of land enclosure. Set in the West Country, it begins and ends with a guard's picture of farmers guarding their newly fenced-off fields. From there it sweeps forward to a contemporary community of bankers and battery pig-packers, the new peasants in a farming system that treats them with little more regard than their animals.

Claire Armitstead

Peter Schreier

WIGMORE HALL

Schreier's recital with Geoffrey Parsons on Tuesday was consummately sung, and Parsons' accompaniments were scarcely less distinguished. But one way the piano far less, despite the tenor's affably mild, almost self-deprecating manner, he is a performer who commands his audience's attention artfully and voraciously. That gives him at least two secret powers. On the one hand, the gently forceful personality somehow wells even extreme devices - pale whisps, violent sforzandi - into an apparently seamless line; on the other, he made each note hang like a hi-tech product, perfectly balanced and sprung, and in faultless taste.

The centrepiece of the evening was Beethoven's trail-breaking cycle An die ferne Geliebte, in which Schreier seduced out a fabulous wealth of expressive detail. Here and there a more spontaneous note

David Murray

Obituary/ Robin Howard

The death occurred in London on Sunday night of Robin Howard, founder and motive force of the London Contemporary Dance Theatre, its company and school. He was 65 years old and his death followed a heart attack.

It is almost equally impossible to comprehend that Howard, well-born and conventionally educated at Eton, Trinity College, Cambridge, and having served with distinction in the Scots Guards during the Second World War, should have been prepared to devote his considerable intellectual and artistic energies to the cause of Graham-based modern dance.

Clement Crisp

ARTS GUIDE

EXHIBITIONS

London The Tate Gallery, Cecil Collins and P. H. Reynolds: retrospective shows side by side of two senior British artists both shown until July 19. Mowbray sponsored by the Tate.

Liverpool The Walker Art Gallery, "La France: Images of Women and Icons of Religion" - second showing of the Royal Bank Group's biennial celebration of the Revolution. Until June 14.

Paris Carte Musée et Monuments sold in museums and Metro stations another volume to avoid queues at 60 museums and monuments, including the Louvre, Musée d'Orsay and Versailles Palace. Grand Palais. The French Revolution in Europe. A vast exhibition organised by the Council of Europe tries to situate the French Revolution in the social and political context of Europe as a whole. Closed Tue, Late opening night Wed. Ends June 26 (42984543).

The Louvre, Michelangelo as draughtsman. Some 80 drawings chosen from great international collections come to Paris after being exhibited in the National Gallery of Art in Washington. Closed Tue, ends July 31.

Galeries Schirn, French Impressionists of the 19th and 20th century, 186, rue Saint-Hippolyte (42984543) closed lunchtimes and Sundays, ends July 19.

Daniel Malingue Gallery, A resolutely modern exhibition with works by Mark Essex, Miro, and Bernard Leizer among others. 22, Ave Matignon (42660283)

closed lunchtimes. Sun and Mon mornings. Ends July 8. Centre Georges Pompidou and La Grande Halle de la Villette. A mammoth exhibition - Les Maîtres de la 7e - is magnificently subtitled the First World Exhibition of Contemporary Art. The exhibition took four years to plan and has a vast, multi-level space of the 5th floor of Beaubourg and the Grande Halle de la Villette to accommodate the 100 artists - half of whom come from the Third World. Centre Georges Pompidou (42711233) and Grande Halle de la Villette, 21 Ave Jean-Jaures, Mairie de Paris (42677222). Both exhibitions closed Tue. Ends July 29.

Galeries d'Art Saint-Honore, 18th and 19th century Flemish paintings. 207, Rue Saint-Honore (42001500). Closed Sat, Sun and lunchtimes. Ends July 12.

Amsterdam Rembrandt Museum. The finest of the early Italian paintings in Dutch collections. Ends July 2.

Brussels Galerie Teyssie, Alsinber: The Circle of Twenty (1894-1895). The Avant-Garde movement in Belgium. 30 Rue aux Isles. The Petit Sablon. Closed Mon.

Museo d'Art Moderna, Retrospective of the Belgian abstract artist Victor Vasarely (1897-1985). Closed Mon among others. 22, Ave Matignon (42660283)

Vienna Leopold Collection. A thoughtful exhibition, called the History of the Modernism, deals with the works of Sigismund Freud as well as the lives of artists who grew up in Vienna at the turn

of the century. Ends August 2. The Leopold Collection. An hour's drive from Vienna, celebrates its 80th anniversary. Besides a fascinating collection of paintings, books and later newspaper cuttings, the Abbey boasts the finest baroque architecture in this part of Europe. Until November 15. The Kunstforum, a new art gallery sponsored by the state-run Landeshauptstadt, makes its debut with the Leopold collection, a Viennese who bought several paintings by Egon Schiele, one of the leading figures of Vienna's style life. He gave up nothing in the 1930s. Ends June 19. Alberta. Try not to become annoyed with the depressing lighting and the minimalist staff when seeing a wonderful collection of watercolours and drawings by Austrian artists. Ends July 12.

Rome Galleria Nazionale d'Arte Moderna. The Sgarbi Collection contains a little of everything, from pop art to conceptual art and Art Power. Until Oct 2.

Washington National Gallery. More than 180 objects from the Frey Collection Museum in Washington include paintings by Titian, Guercino, Rubens, Van Dyck and William Blake. In addition, illuminated manuscripts, ceramics and bronzes show a collection that is considered "perhaps Britain's pre-eminent museum." Ends June 18.

Chicago Art Institute. Master drawings from the Taylor Museum, the oldest in England, include almost 100 works by Michelangelo, Raphael and Rembrandt.

Tokyo Suntory Museum. Wall paintings and screens from castles and temples of the Momoyama Period (16th century). Closed Mondays. National Museum of Modern Art, Takemachi. Takao Takayanaka retrospective. Closed Mon. Japanese Museum, Ceramics from China. Shendai has an exhibition from the Art Institute of Chicago. Closed Mondays.

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Antony Thorncroft

FINANCIAL TIMES

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Thursday June 15 1989

Lure of inflation

GREAT ATTENTION is being paid to the disagreements between the British Chancellor and the Prime Minister over exchange rate policy.

In an economy as attuned to inflation as that of the UK that will not be for very long. After the disinflation of the early 1980s and a few years of reasonably stable inflation, the Government has gained enough credibility for rapid expansion of demand to have sizeable real effects.

A symptom of how far the economy has been allowed to wander into inflationary territory is the revived debate on whether it is necessary to lower inflation at all.

Cheating people More fundamentally, if inflation is to have significant real effects it is because it deprecates the real value of money.

The hand-over in Argentina

IN THE MONTH since its presidential election, Argentina has presented the undignified spectacle of a leaderless country drifting deeper into economic chaos and social instability.

Little can conceal the fact that he is being forced to resign, overwhelmed by the army's long constitutional period of power.

Unproved powers His early departure is clearly in Argentina's best interests. Regardless of Mr Menem's woefully unproved powers of leadership, he and the Peronists control the Congress, enjoy the support of the powerful trade union movement and have the backing of the bulk of the business community.

In an economy as attuned to inflation as that of the UK that will not be for very long. After the disinflation of the early 1980s and a few years of reasonably stable inflation, the Government has gained enough credibility for rapid expansion of demand to have sizeable real effects.

Divided society The main consequence of uncertainty about the prospects for inflation is that society becomes divided into organised groups whose main aim is to protect their members from its ravages.

The question for the Government is whether the coming slowdown should be a relatively mild one, aimed at stabilising inflation at its new underlying rate (perhaps 6-7 per cent), or a relatively severe one, aimed at lowering inflation to where it was before it started its latest rise (about 4.5 per cent).

This then is the price of past mistakes. Either the Government acquiesces in higher inflation, so allowing up problems for its successors, or it makes a serious effort to regain credibility now, inflicting significant economic damage in the process.

December for a change of administration. It is easy to criticise the narrow-minded manner in which both sides have approached the early hand-over. However, President Alfonsín has been out to protect his own dignity and to ensure that members of his administration are not investigated by the Peronists for corruption.

Amnesty issue Yet the most sensitive internal issue relates not to the economy but to the amnesty being demanded by the military to cover both those in the army who still charged for human rights abuses during the decade of the juntas, as well as officers involved in the three rebellions of the past two years.

The military deserve no sympathy and on moral grounds certainly no amnesty. Nevertheless, President Alfonsín has been gradually giving ground to them ever since the first revolt in 1987, which was motivated, like its successors, by the determination to secure such an amnesty.

Unproved powers His early departure is clearly in Argentina's best interests. Regardless of Mr Menem's woefully unproved powers of leadership, he and the Peronists control the Congress, enjoy the support of the powerful trade union movement and have the backing of the bulk of the business community.

Some wise American political scientists once advised: Do not insist on agreeing on ultimate objectives. People with very different ideas of what makes the world tick can work together on specific problems.

The clue to the Prime Minister and Chancellor getting their act together lies not in the differences but in a frank acknowledgement that they can act together despite them.

Many of the semi-hysterical comments made in the last few days are characterised by deep ignorance and - much worse - an incipient authoritarianism that cares nothing for the constitutional requirements of a free society.

But of course this information is absent. So in practice both the behaviour of sterling and of domestic monetary indicators, as well as of other non-financial factors, have to be examined in deciding policy.

Statements of both monetary targets and exchange rate objectives are indeed normally sufficiently loose for protagonists in both camps to work together. Because the dollar is leading a highly volatile life of its own, and the main responsibility for co-operating with the Americans in attempts to combat overshooting lies with the reluctant Germans and Japanese, it is best to measure sterling's performance against a leading indicator rather than the US currency.

Just at such times the Bank of England and Treasury need the maximum calm and flexibility to decide when to make a tactical retreat in the foreign exchange market.

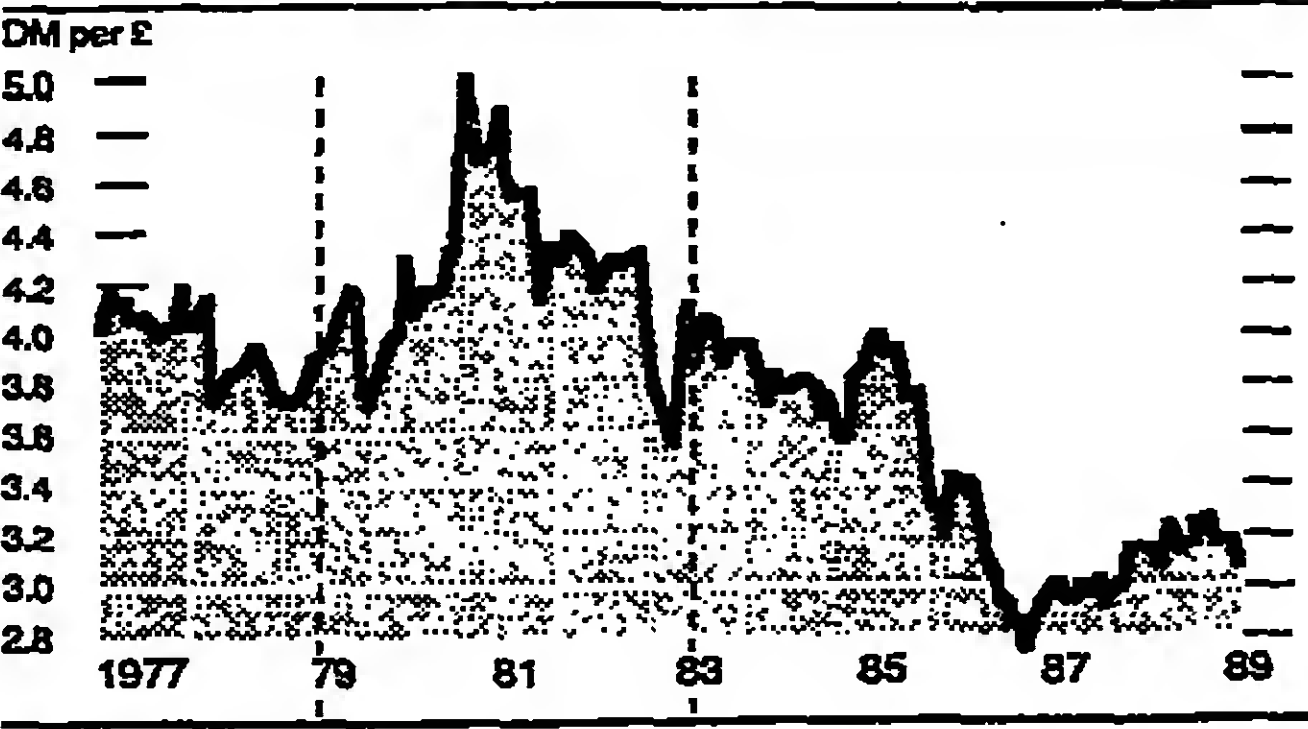
More fundamental damage is done by the Prime Minister's refusal to concede any role for the exchange rate at all. This

ECONOMIC VIEWPOINT

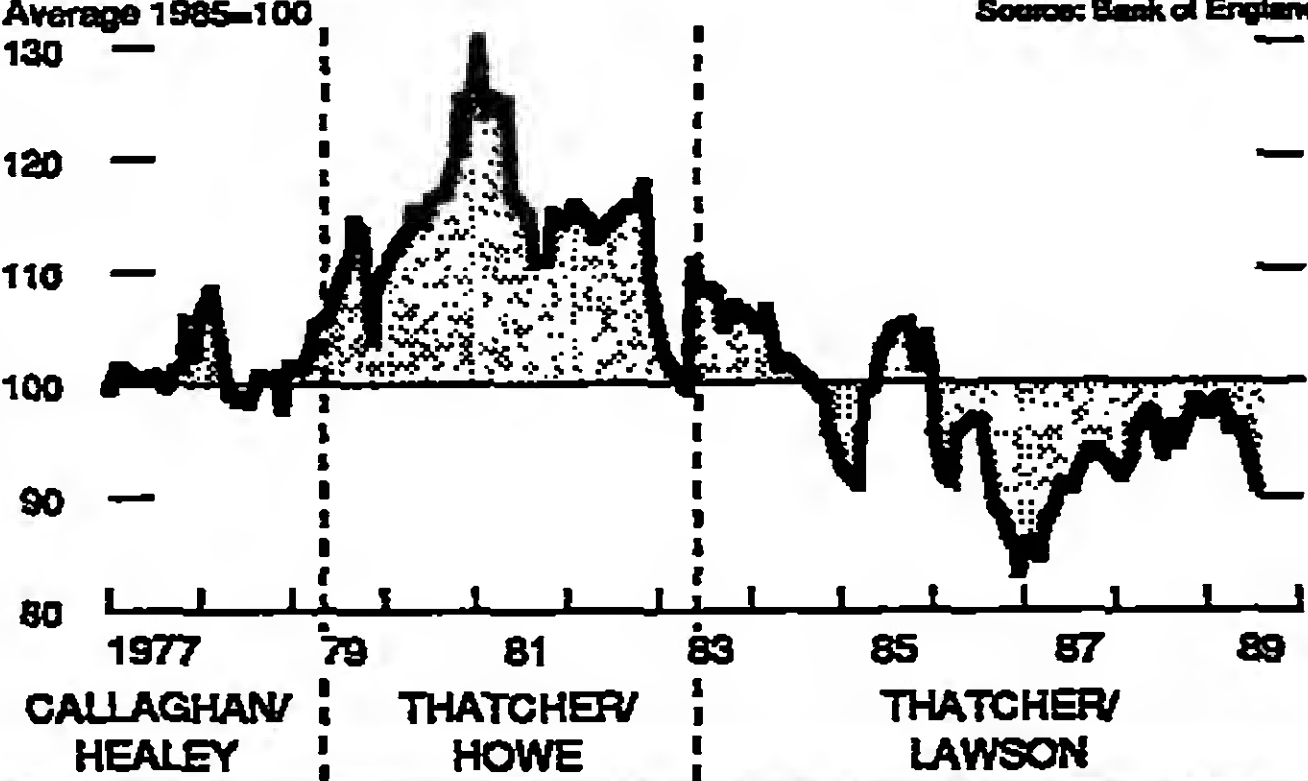
How to get the act together

By Samuel Brittan

Sterling against the D-Mark



Sterling Index



has already cost one or two percentage points on base rates and will cost more before we are done. Like Harold Wilson before her, Mrs Thatcher is obsessed by the hundreds of billions which are supposed to change hands daily in the foreign exchange market.

The market jitters about Thatcher and Lawson began with the Prime Minister's May 19 radio interview when she

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The market jitters about Thatcher and Lawson began with the Prime Minister's May 19 radio interview when she

said that Britain picked up its current inflation from shadowing the D-Mark in 1987-1988. The jitters arose not from the implausibility of the suggestion but from the inference that she was undermining an experienced Chancellor who believed in supporting the pound.

A new low has, however, been reached by a supposedly liberal writer who calls with irony for Nigel Lawson's dismissal so that the Government can remain "single-voiced and internally authoritarian, paying little respect to the many-sidedness of wisdom and none to the separate rights of Cabinet ministers."

Nigel Lawson impressed his severity on critics in the Treasury Committee on Monday by an elegant and unscripted demolition of the Delors Report on monetary union.

Part Two was more distinctive but more questionable. Monetary union, according to the Chancellor, involves a common currency and a common central bank.

On this issue Mr Lawson is at one with Mrs Thatcher, but mainly puts the case more calmly and coherently. That does not make either of them right. There is no space here to debate national sovereignty, but I must, at least, query the premise that monetary union implies a common currency.

The British Government and Commission president Delors have combined to hijack the definition of monetary union for their own very opposite purposes. There is no reason why the rest of us should fall for the trap.

In the words of Prof Ronald McKinnon: "Almost all the benefits of a common monetary standard - where people expect exchange rates to remain essentially the same 20 years from now - can be secured with national moneys remaining in circulation."

But in trying to force monetary standards on each government, the French risks putting back the cause of monetary union. Even those of us with no hang-ups on national sovereignty can still favour taking the matter in stages.

BOOK REVIEW

The leaner, fitter manager

When Rosabeth Moss Kanter, an American business school professor, visited IBM eight years ago while doing a research study on innovation, she was warned not to use the word "entrepreneurial" around the company.

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WHEN GIANTS LEARN TO DANCE

By Rosabeth Moss Kanter, Short & Schuster, £21.95

self a challenging task: to summarise the latest practice and thinking in three fields which are usually written about separately. "Mastering the challenges of strategy, management and careers in the 1990s" is how her subtitle puts it.

This breadth of canvas, compressed into 400 pages packed with real-life examples, is what makes the book so unusual and unusually worthwhile for busy people who have not had time to wade through the stream of books and articles which has appeared on each of the three fields in the last couple of years.

Yet perseverance is rewarded by Moss Kanter's insights, on the type of leadership that is necessary for post-entrepreneurial organisations (neither corporation manager nor entrepreneurial "cowboy") on the harmfulness of internal competition between people who have to work together.

The result of this last shift, together with the "defining" of many companies, is that their vertical dimension is becoming much less important than it was, says Moss Kanter, while the horizontal is growing in significance. In this environment, formal channels and lines of reporting become far less important than individual relationships and communication, and the flexibility temporarily to combine resources across the company. More than ever before, she concludes, the post-entrepreneurial companies require a triumph of process over structure.

Christopher Lorenz The UK publication date is Sept 18. Price £14.95.

The rise of Ryzhkov

Nikolai Ryzhkov, the Soviet Prime Minister, seems to have served a stint as a local Party boss on his way to the top - the first technocrat to make it through the bureaucracy and not the Party.

Every night on Vremya, the prime time television news, Ryzhkov can be seen in short, snappy interviews to the horror stories of refugees from the race riots in Uzbekistan, seeking to reassure, cajole, exhort and bully action out of local officials.

It is a new-found skill for the former engineering plant director from the Urals, who used to be regarded as a plodding technocrat in the shadow of the charismatic Gorbachev. He suddenly shot into the limelight when he took over the disaster relief effort after the Armenia quake.

Increasingly, the exorbitant but personable Ryzhkov has looked like the middle-of-the-road acceptable alternative leader, should perestroika come unstuck. He would be less radical, less of a star, but still reformist, and much less disruptive to the Soviet system.

Indeed, the Soviet premier is a classic product of the system. A Russian born in the Donets coal mining region of the Ukraine 59 years ago, he spent 25 years working his way up the hierarchy at the Urals engineering plant in Sverdlovsk - the same Siberian city which sent Boris Yeltsin to Moscow. He finally became general director, then a deputy minister, and never looked back.

OBSERVER

the Soviet leadership never to have served a stint as a local Party boss on his way to the top - the first technocrat to make it through the bureaucracy and not the Party.

Speaking up Before he rose above the party political battle by becoming Speaker of the House of Commons, Bernard Weatherill, MP for Croydon North East, was one of the Conservative whips who helped to ensure the passage of the legislation scrapping many famous county boroughs as part of the process of reforming local government.

In the Commons yesterday Edward Leigh, the Conservative MP for Gainsborough and Horncastle, introduced a Private Member's Bill seeking to restore county borough status to five cities such as Bristol, Lincoln and Portsmouth. In a clearly audible aside, the Speaker told him: "I hope you will include the county borough of Croydon."

Touch of colour In building up the world's biggest paint business in the last three years, ICI has picked up people and been forced to evaluate its management development policies. For example, Alex Ramig Jr, a chemist, has been made head



"Have you considered taking steroids?"

of worldwide research and put on the board. Ramig, toughened by farming in Nebraska, came with Glidden, the US paints giant ICI bought in 1966. In October, Doug Curlewis, who has transformed ICI Dulux in Australia, will become head of European operations. He is a marketing man and ran Philip Morris in New York for 15 years before joining ICI in Melbourne in 1984.

ICI Paints will then be run by four Britons, three Americans and an Australian. From being one of ICI's Cinderellas, it is now the group's second best market, making nearly £100m profits. Herman Scopes, the chief executive, says globalised management is new ground for everyone. The trick is to combine internationally transferable high technology with global marketing skills. Ramig and Curlewis will help do that. Ramig is an expert on polymer architecture. Curlewis's creed is the power of the brand: the

business's symbol is an old English sheepdog. "But we don't use the dog in Asian markets," Scopes says. "They eat dogs there, and it wouldn't convey the right image."

Sensitive

The forthcoming trial of Paul Touvier, the war-time head of the intelligence section of the French anti-resistance militia, looks set to open up old and sensitive wounds. Quite how sensitive the period remains was demonstrated recently when French television showed Woody Allen's film "Manhattan". In the film, Allen was leaving a cinema showing a French film about the occupation. He turned to his companion and said: "The French Resistance must have been awfully brave."

Sweet present

Michael Howard, the minister for water and planning, told this story at the annual lunch given by Euram, the headquarters, yesterday. A new British Ambassador to the US was asked by the Washington Post what he wanted for Christmas and the New Year. "In no way can I accept a gift from the Washington Post," he insisted. A few hours later his secretary told him the paper was on the telephone again. "Well, I suppose a small box of crystallised fruits would be just about acceptable," he said. The next day he read in the Washington Post: "The Soviet Ambassador wants further progress on general disarmament for Christmas and the New Year. The French Ambassador wants peace in the Middle East. The British Ambassador wants a small box of crystallised fruits."



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FINANCIAL TIMES

Thursday June 15 1989

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Japan to provide \$2bn in support loans for Mexico

By Peter Riddell in Washington

JAPAN has agreed to provide \$2bn of support for Mexico's economic reform and debt reduction programmes in association with loans agreed by the International Monetary Fund and World Bank.

This support, which will take the form of co-financing loans, is in addition to the \$4.5bn in credits which Japan promised early in April to vari-

ous Third World debtors. This was the main part of its backing for the debt and debt service reduction initiative launched three months ago by Mr Nicholas Brady, the US Treasury Secretary.

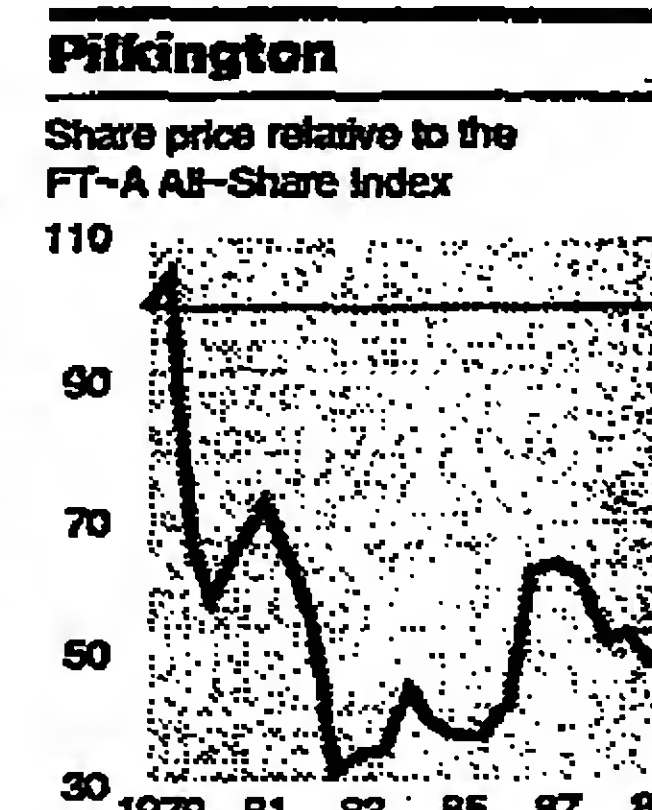
The World Bank board agreed on Tuesday to provide \$1.5bn in loans to Mexico, of which a quarter could be used for debt reduction, while the IMF board last month agreed \$4bn of support.

World Bank decision, the Japanese government has said it would provide a \$450m loan to Mexico associated with the immediate loans.

THE TEN COLUMN

The brave face of C and W

The word from the front is that telephone lines are buzzing in Hong Kong, and that the future of the colony's telecommunications company is probably no less rosy than it seemed three months ago. Furthermore, Mercury is apparently doing so well that, a decade from now, Hong Kong Telecom will account for barely a third of Cable and Wireless profits.



company which prides itself on being a world leader, there was no point being number 10 in the consultancy pecking order, especially when the latter's own management looked in need of some serious counselling.

A Green pattern emerges across Europe

Only the ecologists' election platform transcends national frontiers, writes Bruce Clark

I'VE DETECTED a pattern in the opinion polls, at least one phenomenon will transcend frontiers - the rise of the Greens.

plan to make their point by broadening how many seats they would have won under proportional representation, and sending that number of observers to demand seats at Strasbourg.



far enough from the country to be nostalgic.

would agree that these demands are other-worldly; but, since the elections are European rather than national, even the most loyal supporter of Nato can vote Green in fair confidence that he is not starting to dismantle the Western defence system.

Monetary union would 'benefit London'

By Peter Norman, Economics Correspondent, in London

LONDON'S future success as a financial centre could receive a powerful boost, both psychologically and physically, from monetary union in the European Community.

but the Federal Reserve Bank of New York is its main operating unit.

its to be placed on member states' budget deficits.

refuse to finance a deficit that they believed unsustainable.

Greenspan sees wider role for \$

By Peter Riddell, US Editor, in Washington

THE GROWTH in international trade and internationalisation of financial markets may continue to bear disproportionately on the dollar.

Spanish savings banks begin merger talks

Continued from Page 1

years they have expanded quietly into lending to small and medium-sized businesses to counteract the big Spanish commercial banks' moves into mortgage lending.

Späth cools Gorbachev euphoria

By David Marsh in Stuttgart

MR Mikhail Gorbachev's call for a common European house was given a sharp rejoinder yesterday when Mr Lothar Späth, Prime Minister of Baden-Württemberg, reminded the Soviet leader of the "barbed wire and wall across the building site of the common home."

Gorbachev held up red flags and photo, and strummed guitars.

"There was even a dark hare Krishna banner." Inside the palace, dapper-suited ranks of businessmen voiced disquiet over Mr Gorbachev's permanent lateness - and also about the enthusiasm of the reception outside.

Boeing 737-400s grounded

Continued from Page 1

lines are likely to seek compensation from the engine manufacturers for those losses.

WORLD WEATHER table with columns for location, temperature, and weather conditions.

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NEWS REVIEW BUSINESS Offshore satcomm system for BP Semtex detection Briefly... The British Army Personnel Research Establishment is to use a Ferranti International small arms trainer to evaluate the effects of VISOR, regulators, wobble and clothing on a soldier's ability to fire his SASO rifle.

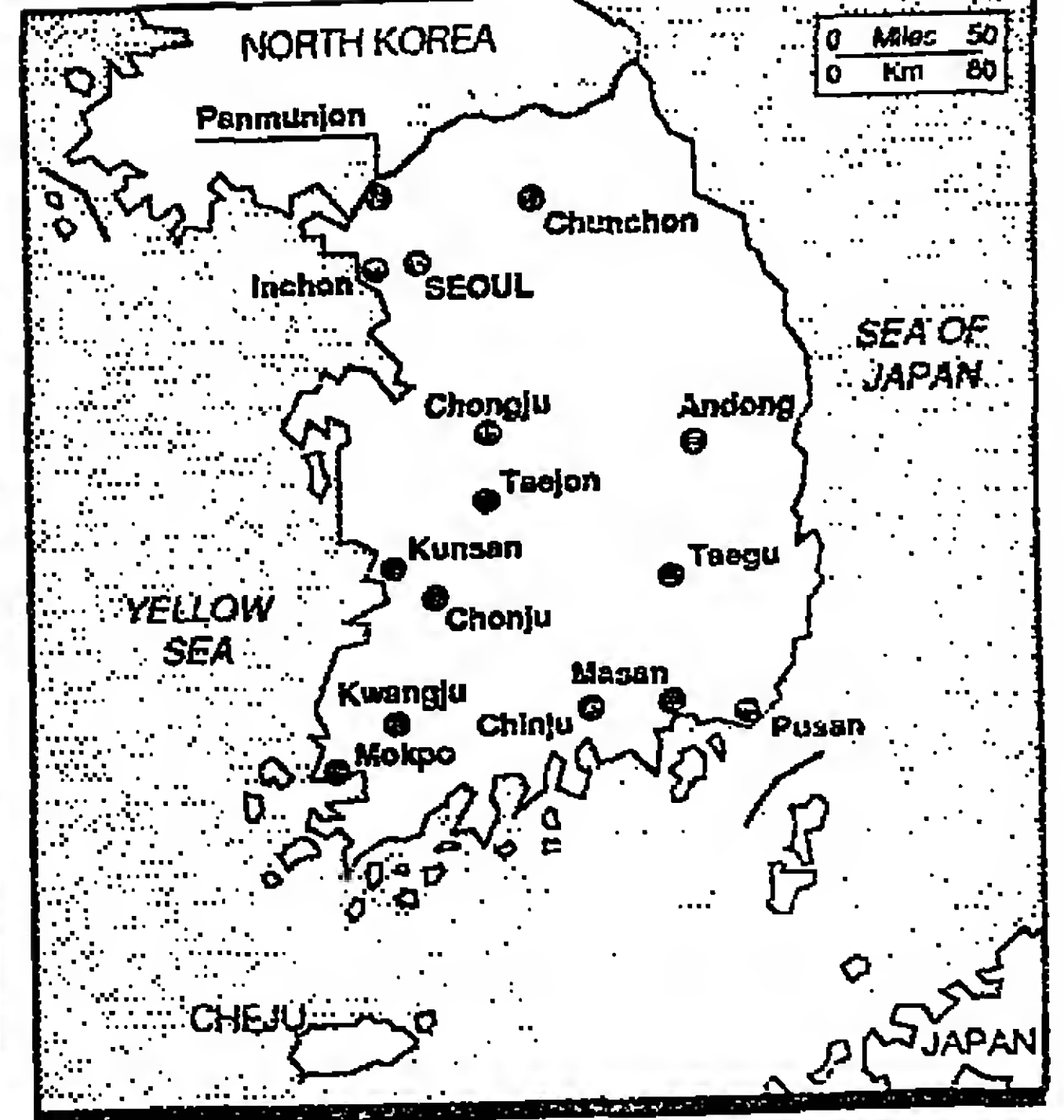
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FINANCIAL TIMES SURVEY



Seoul's transition to democracy has forced many difficult domestic political readjustments, a

wholesale restructuring of the economy and a fresh foreign policy. Few countries have undertaken simultaneously so many profound changes, writes Maggie Ford



Restless labour: perhaps the most difficult problem in industry is the relationship between management and labour

Difficult transitions

CONVERSATION at a Seoul dinner table is depressingly familiar. House prices lead the complaints, followed by the doldrums in the stock market, capped by the traffic problem. In a country where people's main consideration used to be freedom, democracy and human rights, Seoul's most recent demonstration was against a plan to build a new satellite town. Look below the surface, however, and it can be seen that only some things have changed. For many South Koreans, the legacy of the past remains unresolved, and the problems of the present are simply adding to life's difficulties. Transitions from authoritarian rule are never easy, as the Soviet Union and China have shown, and South Korea may take credit for completing two years of difficult, but relatively non-violent change. The challenge for the Government of President Roh Tae Woo is that the country is less than half way to its goal. The difficulty is compounded by the fact that to install a stable and equitable democratic society requires not only political change, but also a new foreign policy and a wholesale restructuring of the

economy. At the same time, external and internal pressures have forced a transformation of trade. Few countries have had to attempt such a large number of transitions at the same time. Politically the country got off to a good start last year when the opposition parties won a majority of seats in the National Assembly for the first time. An over confident and shocked ruling party has since been forced to compromise over the many serious political issues facing the country. Some progress has been made. Former President Chun Doo Hwan appeared on television to apologise for his misdeeds and repaid illegally raised funds. Many of his corrupt family members are in jail, and other figures from the previous regime such as the internal security chief have been put on trial. But Mr Chun has not yet met an opposition demand that he testify to the National Assembly over his regime's brutality. The Government has also failed to secure the resignation of the ex-general held responsible for the 1980 massacre in the city of Kwangju, where at least 200 students and their supporters were killed by the army after demonstrating against

martial law. Mr Kim Dae Jung, the opposition leader, who was jailed before the incident and sentenced to death later for causing it, has told President Roh that he must resolve the problem by the end of this year or suffer a campaign to remove him from office. Government efforts to clear up the past have been resisted by hardliners in the ruling party, who have also put strong pressure on the President to crack down on what they see as left-wing extremists. Such extremists were discredited when a confrontation in a provincial university left seven riot policemen dead after petrol bombs were thrown indoors. A voluntary ban on petrol bombs and tear gas has been agreed. However, opposition leaders have pointed to a rise in activity by the security forces and police. A National Assembly team is investigating the death of a Kwangju student who disappeared on the same day as the riot police were killed. His body was later found in a reservoir and a Government report claimed he had drowned. Demonstrations have been held daily since then in the provincial city demanding that the facts be revealed.

All South Korea's political parties have been struggling to cope with the social pressures that have emerged since the lid of dictatorship was lifted. A largely hostile press, more free but hardly objective, has attacked all sides in more or less equal measure. Inexperience in public consultation, some dishonesty and misjudgement have led to numerous political mistakes. The result has been a level of public disgust with politics that all parties will have to address if they wish to restore their popularity before local autonomy elections next year. South Korea can however point to several successes in foreign policy. President Roh's twin track policy of improving relations with Communist countries has resulted in diplomatic relations with Hungary, Poland is expected to follow suit. The Soviet Union, China and other East bloc nations have established trade relations. Two opposition leaders have visited Moscow and Budapest, and the Seoul Olympic Games have clearly boosted South Korea's image and attractions worldwide. The other track, involving relations with North Korea, resulted in a series of meetings but no positive outcome. A

clandestine visit by a dissident clergyman to the North shocked conservatives and the policy is now being rethought by the Government so as to obtain public consensus in advance through the National Assembly. Perhaps the year's greatest foreign policy triumph was persuading the US not to place it on the "Super 301" list of unfair trading nations. A major lobbying effort was launched by several ministries and the National Assembly to explain South Korea's efforts to open its markets, diversify its trade and reduce surpluses. The effort, which put economic facts into the political and security context, including the risks of fanning anti-Americanism, convinced Washington of Seoul's sincerity and should boost President Roh's efforts at economic restructuring. The difficulties here are substantial. After three years of a 12 per cent gross national product growth and current account surpluses of up to \$14bn, the South Korean economy has become overheated. Inflation is now expected to reach 8 per cent this year by conservative estimates and speculators have pushed up land and housing prices by as

much as 300 per cent. The Seoul Stock Exchange rose by 70 per cent last year. At the same time, the 16 per cent appreciation of the country's currency - the won - against the dollar last year, along with double figure wage rises for three years running, are making lower level industries such as footwear, toys and textiles uncompetitive. These industries are moving offshore to lower cost countries and producers of cars and electronics are moving up market into more value added products. Luckily, this transition period, made worse by protectionist constraints, is being cushioned by a major rise in domestic demand. More prosperous workers - buoyed by pay rises - are snapping up cars and cameras, and luxury imports are doing well. Investment remains strong. Economic planners predict that growth will reach 8 per cent this year, with current account surplus predictions varying between \$7bn and \$9bn. Perhaps the most difficult problem in industry is the relationship between management and labour. A national crisis was averted when the Hyundai group demanded the Government send in police to break a shipyard strike. Government

officials remain confident that good labour relations will be established over the next few years, but the possibility of deep seated confrontational attitudes developing cannot be dismissed if a new approach is not adopted soon. Efforts to restructure the financial sector are being hampered by inflationary pressures, fears about economic concentration by big business and the power of foreign investors. The Government announced a plan to open the stock market partially to foreign investors in 1992, but remains concerned that it will be too weak to resist being swamped by foreign ownership. Investors can do little more than wait and see whether the plan is implemented on time. An internal restructuring of the banking sector and money markets is proceeding slowly with a lack of technology and training the main problem. A new tax system along with computerised real name transactions is to be introduced, possibly as early as late next year. Across all sectors, the South Korean Government has made a clear commitment to change. In many cases, however, the political and economic realities

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are disrupting the timing or extent of adjustments, making progress towards an equitable economy just as difficult as the transition to democracy. But as South Koreans know, the country's phenomenal economic progress over the past 40 years was not won without sacrifice. Along with being rich, Koreans would like to be democratic, respected, independent, reunited and, no doubt, famous. Few who know the speed of their reactions and their determination to succeed would dare to deny that, in the end, they may get what they desire.

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SOUTH KOREA 3

Maggie Ford on moves to upgrade ties between Seoul and Pyongyang

Animosity clouds North-South debate

AS THE world looks forward to the end of the cold war and a new peaceful era, South Koreans have good reason to view international shifts in the balance of power with fear and trepidation.

On the last two occasions when major realignments have taken place - at the turn of the century and after the Second World War - Korea has been a major loser. For the first half of this century it was forced to endure colonisation by Japan, and after 1945 the nation was a victim of super-power rivalry, divided and torn by war.

But this time, as the world appears likely to shift again, Koreans hope they can look forward to a better fate. Their aim is a reunified nation, prosperous, peaceful and democratic. Nobody, however, underestimates the difficulties of attaining what many still believe to be an impossible dream.

The South Korean Government put the process in motion last year when President Roh Tae Woo announced his new policy of treating North Korea as a partner, not an enemy, and of opening relations with other Communist countries.

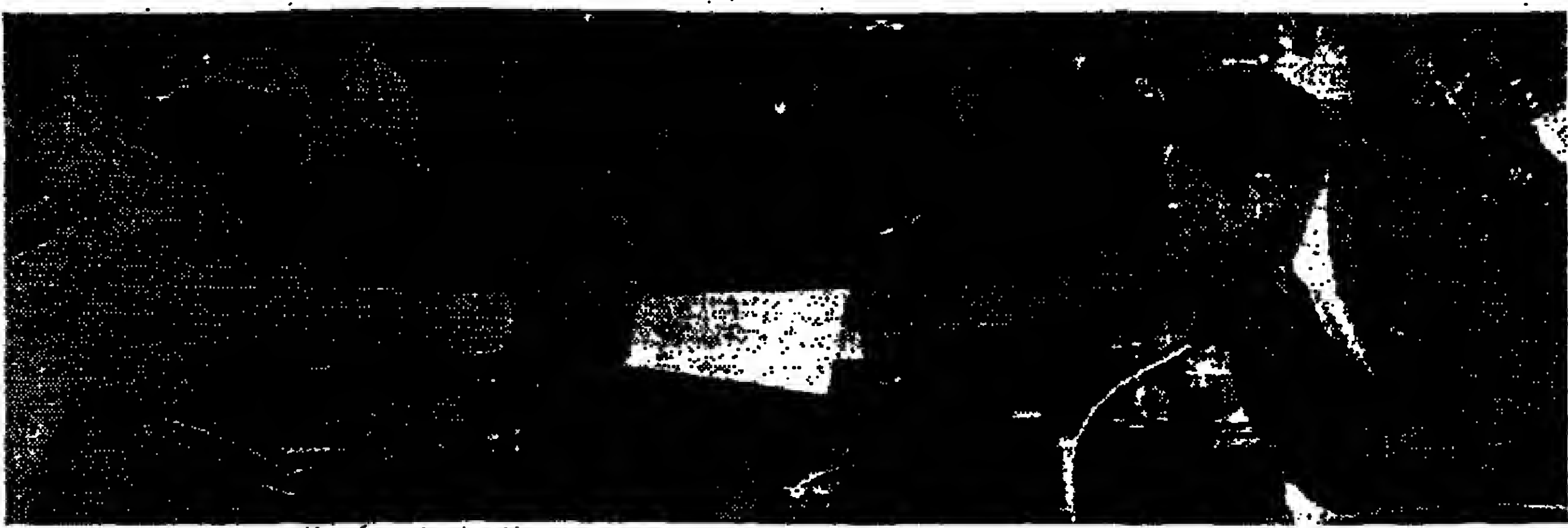
According to Mr Lee Hong Koo, the South's Unification Minister, the twin-track policy was based on the basis that if relations with Pyongyang improved, then so might links with its allies, while if contacts with the Soviet Union and China were stepped up, then this could have a good effect on North-South Korea relations.

One part of the policy, known as "Nordpolitik", has been successful. Diplomatic relations have been established with Hungary, a Soviet trade commissioner is now based in Seoul and talks are continuing with China, Poland, Yugoslavia and Bulgaria over setting up links.

South Korea, which until last year was perhaps the most anti-communist ideologically-based country in the world, has been flooded with visiting Communist sportsmen, Russian movies and orchestras and other cultural visitors from the Eastern bloc.

Visits by Koreans to formerly forbidden countries have boomed. Business links have been stepped up and trade, especially with China, has doubled in two years to \$3bn. So successful has been the policy that the government has come under pressure from conservatives in the administration, concerned about the pace and level of contacts with what they have always regarded as the enemy.

Movement on the other track - opening links to North Korea - has been far less speedy and fraught with old animosities. A series of talks set up to discuss parliamentary



South and North Korean delegates at last year's Panmunjon talks, the first direct encounter between the countries since 1985

meetings was called off by the North Koreans in protest at the annual US military exercises, Team Spirit, held on the peninsula in March.

A visit to North Korea by Mr Chung Ju Yung, founder of the Hyundai group, produced initial agreement on a joint tourist development project, and raised Southerners' hopes of a breakthrough. They were later dashed when a dissident clergyman, the Rev Moon Ik Hwan, paid an unauthorised visit to Pyongyang, infuriating conservatives and spurring a temporary interruption of progress on the Government's policy.

The Government is now trying to build consensus on its reunification plans. Public hearings are to be held this month in the National Assembly, following complaints by Opposition leaders that contacts were being established by secret channels. The Foreign Ministry has announced the closure of several minor embassies abroad, set up when the two Koreas were engaged in competitive diplomacy, and free discussion of unification policy is allowed. The Government plans to introduce laws legalising contacts with the North under certain conditions.

Mr Moon was arrested under the National Security Law which proscribes connections with North Korea as an "anti-state organisation." Pyongyang has repeatedly called for the repeal of the law, and has Opposition leaders who charge it was used to persecute dissidents fighting for democracy.

North Korea has responded to the South's Nordpolitik by improving contacts with Japan, and by holding several diplomatic meetings in Peking with US representatives.

Senior South Korean officials say that, although they believe there are voices in the North Korean Government in favour of change, the regime is very strong after 40 years of stability and that a more flexible attitude may take some time. They take comfort from the liberalisation progressing in the

Soviet Union, China and several Eastern bloc countries in the belief that this will eventually affect Pyongyang's policy. The transition that South Korea is experiencing towards democracy is thought likely to be affecting the North's responsiveness. Officials believe that various outbreaks of unrest among students, workers and farmers may have persuaded the North not to negotiate but to wait and see, in the hope that the Southern Government will collapse.

"They suffer from the Vietnam syndrome," says one senior official. "I doubt that

they believe another war is possible, but they do see that of the four divided countries, only Vietnam has been reunified by the Communists."

Officials and Opposition leaders believe that a consolidation of democracy and public consensus on policy in the South is essential for reunification to move forward. For at present, the policy is a contradiction in terms.

One major social group, including the army, is primarily concerned with combating a military threat, while another, led by students, is demanding an immediate end

to the division and the withdrawal of US troops.

Seoul feels confident, however, that the outlook is positive. Military invasions are coming to an end worldwide, and a regional Asian community, officials say, is growing quickly offering South Korea the opportunity to share its economic success with other countries. As the end of the 20th century approaches, a nation which has struggled so hard to survive with its identity intact will dare to hope that the third change in the balance of power will be its lucky break.

Relations with the US

Bashing Uncle Sam

WHETHER South Koreans are hosting Olympic games, building ships, holding demonstrations, eating spicy cabbage called kimchi, or driving their cars, they tend not to do it in half measures.

At the moment, they are America-bashing. Conservatives openly display resentment of US military dominance and its central political role since the Korean war. They say the country has grown up and out of the old relationship. Radicals insist that the US was responsible for dividing Korea in 1945 and for a string of other crimes since.

No matter what goes wrong or how long it takes, the fingers often point first at the US. Washington, a little punch-drunk and smug means that once again the US has become the whipping boy, has finally responded. Late in the day, it has adopted a policy to lower the American profile - not its military presence - in an effort to smooth a transition to what now has to be a new chapter in relations as Korea emerges as an economic power.

But with 44,000 US troops in the country and South Koreans, ambiguously, anxious to see them stay to help deter invasion from North Korea, the transition is proving emotional and traumatic. Koreans talk of their awakened sense of

nationalism and of their pride in what the country has achieved.

Only recently have they felt the confidence and had the power to control their future, after a century which started with colonial adventures trying to pry open what was then called the Hermit Kingdom, and continued with a brutal Japanese occupation, division after the Second World War and destruction five years later in the Korean war.

The US is often seen to have a kind of "imperial" presence, and Koreans want to expunge it. Washington's apparent cooperation with President Chun Doo Hwan's harsh military dictatorship, until "democratisation" began in 1987, fuelled the anti-American flames.

"The idea that we are a dominant player has not left Korea, and it has been very damaging to us," said one American observer.

That role has been called most into question over the infamous suppression of a civilian uprising in the city of Kwangju in 1980, in which nearly 200 civilians were shot dead by Korean soldiers sent by Mr Chun.

An American general had, and still has, operational control of 500,000 Korean troops deployed against North Korea, where Mr Howard Taft, the

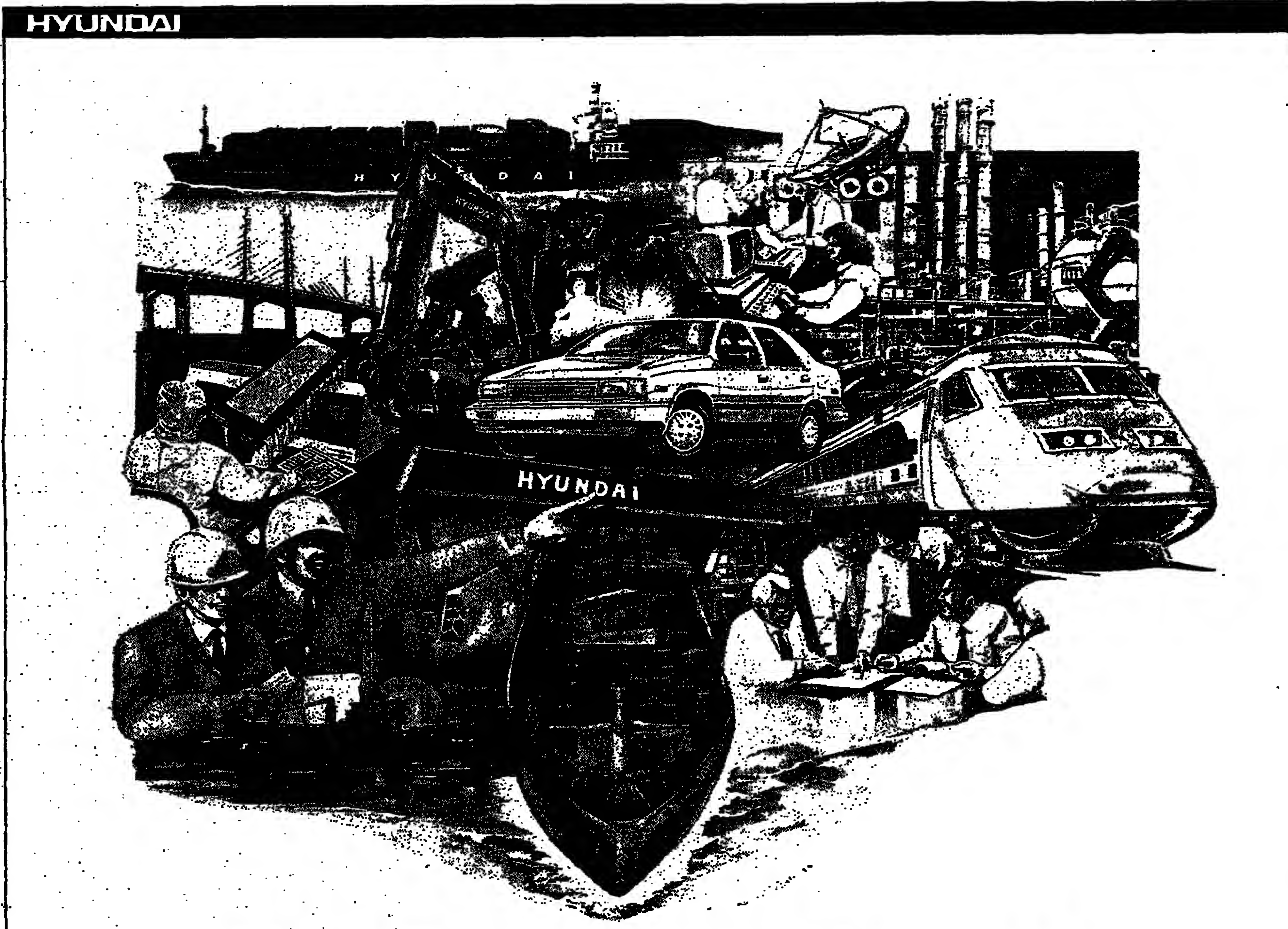
from the border and used in the brutal suppression in Kwangju. Some Koreans say the US either acquiesced in the suppression of the rebellion or did not do enough to stop it.

In an unprecedented move, the State Department plans to release "detailed answers" in reply to detailed questions submitted by the opposition-controlled Korean National Assembly. The answers support the previous claim that the US commander in Korea had no power to prevent President Chun from mobilising the Korean troops, a US official says.

Kwangju is only the latest incident in a dotted history in which the US has not always acquitted itself well. High points include the sacrifice of 33,000 US lives in the liberation of the southern half of the peninsula in the Korean war, and the subsequent decades of aid that provided the building blocks for the country's current economic success.

Low points, according to the "revisionist" historians popular with students, go back to late-19th century American efforts to open the country to trade - all of which actually ended with the US retreating with a bloody nose - and an agreement in 1905 in Tokyo where Mr Howard Taft, the

Continued on Page 5



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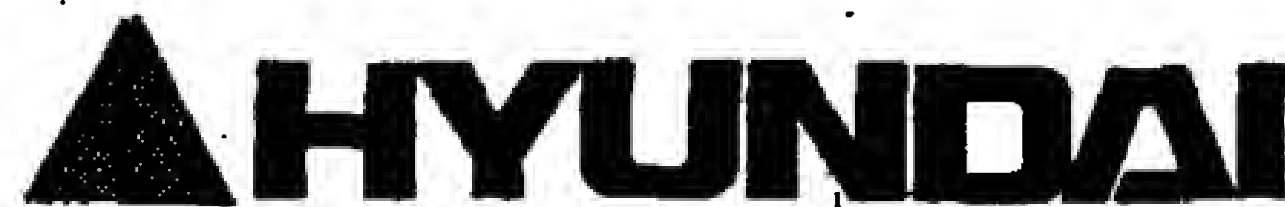
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Break with past

Continued from Page 2
 tions in the peninsula will almost certainly require a change of leadership in Pyongyang - and this is not on the cards. There is not even any hard evidence to indicate the existence of a more pragmatic and economically-minded group which might seek power once Kim Il-Sung's reign ends.

Yet there is no reason to judge the Nordpolitik policy solely by its success or failure in changing attitudes in Pyongyang. "We don't expect any linkage", says Dr Lee Hahn-Been, a former deputy prime minister and respected academic. "We pursue Nordpolitik because relations with China and the Soviet Union will be important for all Korea for generations to come," he adds. The fact that North Korea is not presently amenable to political or economic reform, he says, should not stand in the way of South Korea's drive to improve relations with the rest of the communist world.

The reluctance of either China or the Soviet Union to contemplate diplomatic relations with South Korea illustrates the scale of the difficulties lying ahead. The consolation for President Roh is that even if the Nordpolitik strategy bears little political fruit, it could prove a winner in purely financial terms.

Commercial relations with communist countries are already significant. Total trade was worth \$3.6bn last year, with China accounting for 85 per cent of the business. Yet if moves to embrace market forces take root in Eastern bloc countries, the opportunities for Korean businessmen could prove far more significant than now envisaged.

South Korea's relations with the non-communist world have enjoyed no such transformation. But an awareness of the need for change is growing. The Government recognises that it is uniquely well-placed to help many Third World countries accelerate their economic development. It will soon be a net creditor nation with money to burn and, perhaps more important, it has recent first-hand experience of

the problems of development. There is talk of establishing a US-style Peace Corps of young volunteers. To date, however, the rhetoric has not been matched by action. Official development assistance for poor countries is a miserly 0.07 per cent of GNP.

So far as the developed world is concerned, South Korea needs to move from a position of dependence to one of mutual respect and co-operation. In the economic sphere this transition is well under way. The fact that industrial countries are demanding so many concessions from Seoul demonstrates that they now regard their relationship with Korea increasingly as one of "symmetry and horizontal interdependence". In the 1990s, equality in the economic sphere is likely to be cemented by Korean membership of international bodies such as the Paris-based Organisation of Economic Co-operation and Development.

But in political terms, South Korea still has ground to make up. It is beginning to adopt a less isolationist stance in Asian affairs, but it does not yet play a role commensurate with its economic muscle.

Perhaps the most delicate task facing Korea remains the need to put its relationship with the US on a more adult footing. Mr Shin Doo-Byong, director general at the American Affairs Bureau, admits that his generation's sense of gratitude to the US is not shared by young people. Many of them resent both the scale of the US military presence in Seoul and Washington's heavy-handed efforts to prise open Korea's underdeveloped agricultural sector.

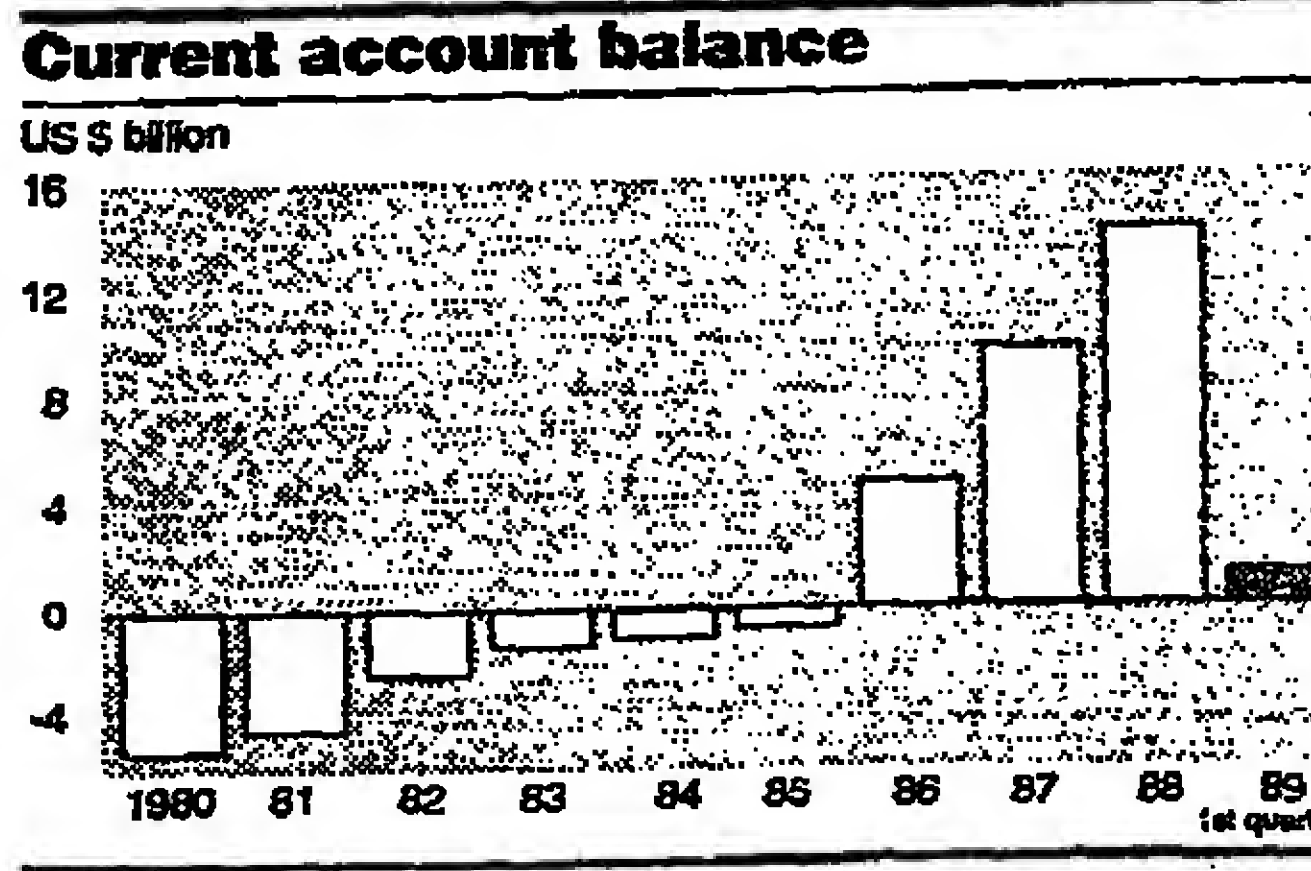
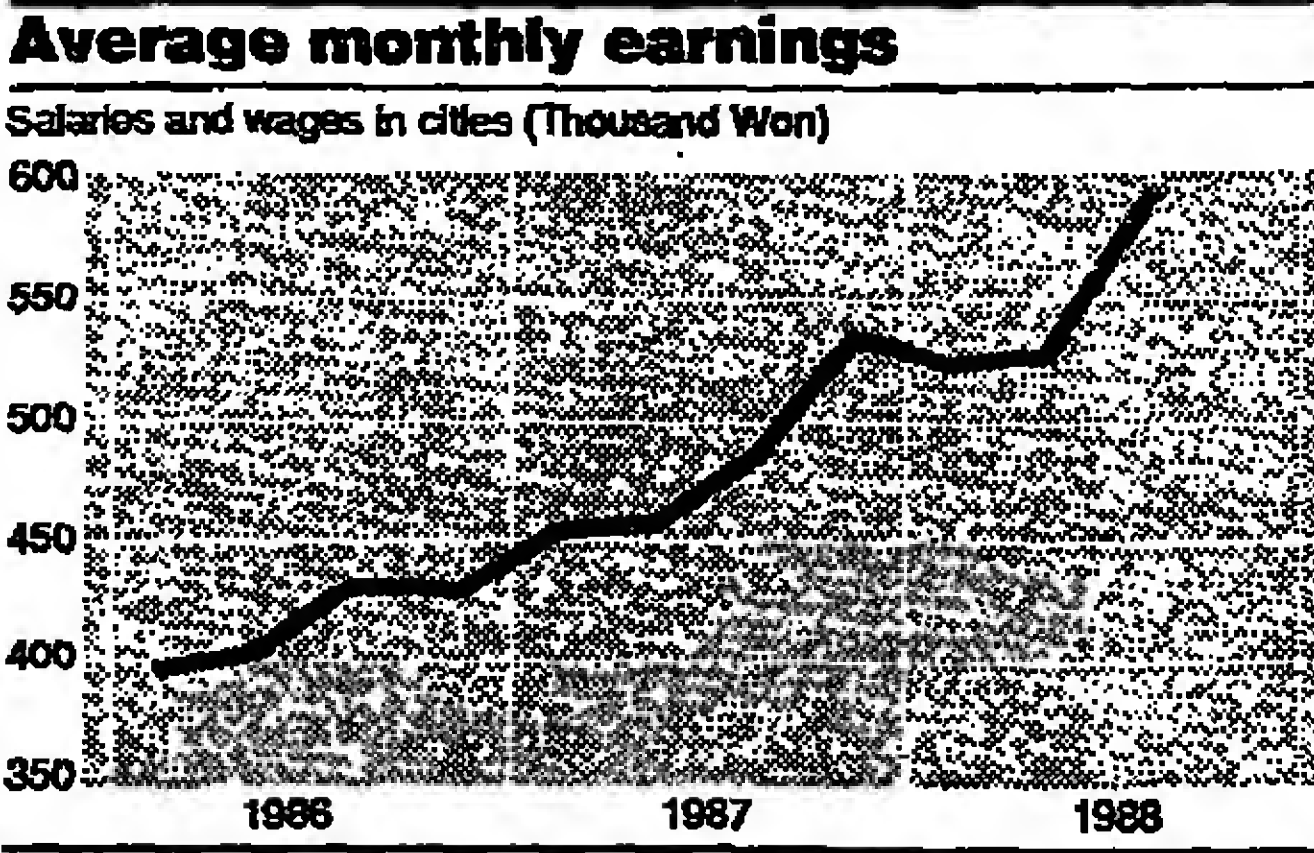
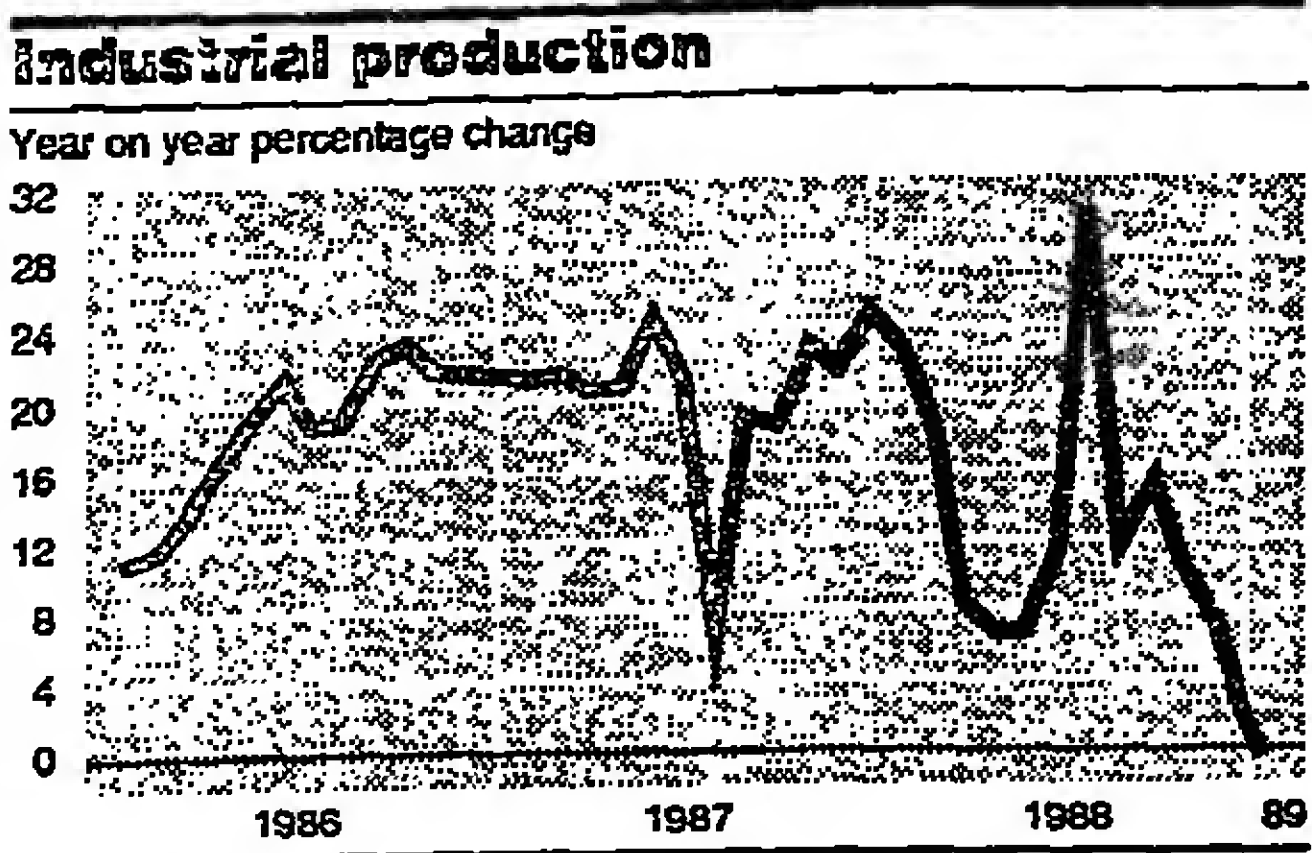
In the long run, South Korea, like Europe, must assume greater responsibility for its own defence; only then will a more mature relationship with the US be possible. But South Korea's ability to defend itself depends on the scale of communist bloc support for North Korea. In the last analysis, therefore, the success or failure of Nordpolitik will determine the pace of Seoul's diplomatic development.

SOUTH KOREA 4

Michael Prowse on the tarnishing of Seoul's economic miracle

An economy experiencing growing pains

IT IS tempting to conclude that South Korea's economic miracle is over. The country's dazzling economic performance in recent years reflected the dynamism of its export industries. Export success in turn reflected the low level of wages, the diligence of the workforce and the weakness of the currency.

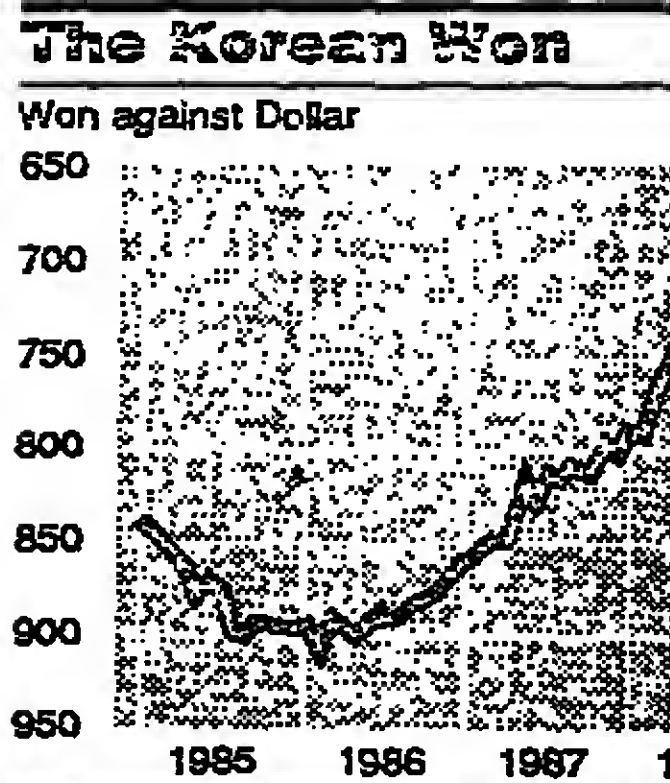


ECONOMIC OUTLOOK table with columns for 1986, 1987, 1988, 1989 and rows for Growth rate of real GDP (%), Current account balance (\$bn), Exports (\$bn), Imports (\$bn), Wholesale prices (%), Consumers prices (%).

markets. No sectors are being spared, not even cosseted and backward agriculture. Japan, argue rueful Koreans, was permitted the luxury of free trade abroad and protectionism at home for a much longer phase of its economic development.

domestic investment for the foreseeable future. Korea will thus be exporting capital to the rest of the world despite its modest per capita income and the likelihood that domestic returns on investment will exceed those available abroad.

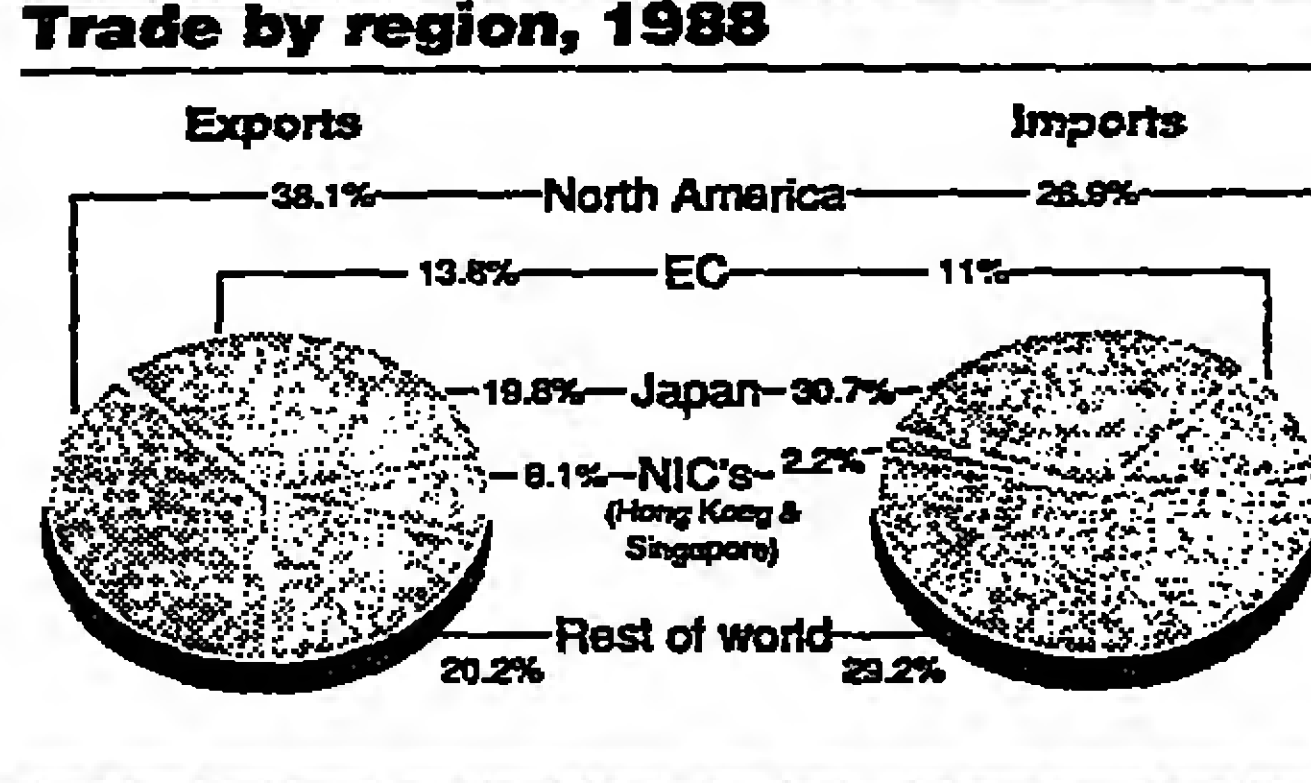
sary but unpleasant facet of development. The fact that Korea will soon be a net creditor, with overseas assets exceeding liabilities, is source of considerable local pride. The attempt to move towards higher value added industries is seen as crucial for Korea's economic future.



By the standards of most economies, the macro outlook certainly looks promising. Dr Kim Choongsoo, a senior fellow at the Korea Development Institute, expects GNP growth of about 8 per cent this year, despite the industrial disruption during the first half. Some economists are more pessimistic, but few anticipate growth of less than 6 or 7 per cent.

The shift towards home demand seems to be rapidly reducing the current account surplus - and thus helping to ease trade tensions. In the first quarter the surplus was a mere \$1.2bn on a balance of payments basis. Projections for the whole year depend significantly on the extent to which companies raise export prices in line with the stronger won.

TRADE Seoul dancing to US tunes



ing trade deficit with Japan. Fears about that deficit fuel the accumulation of surpluses elsewhere. A 40 per cent surge in exports reduced the deficit with Japan to about \$4bn last year - a big improvement on the preceding two years, when the annual shortfall exceeded \$5bn.

Tong Yang - Harvesters of The Golden Grain. Advertisement for Tong Yang Securities Co., Ltd. featuring an illustration of farmers and text describing their services and office locations.

Korea. More than Seoul! Advertisement for Korea National Tourism Corporation featuring a man golfing and text about visiting Korea.

SOUTH KOREA 5

Ray Bashford on plans to open up the financial markets

A decade of false dawns

THE NATIONS beating at South Korea's door for greater access to its markets were given reason for hope when President Roh Tae Woo endorsed a reform plan for the country's financial sector.

Although deliberately short on detail, the blueprint issued last December gave the firmest commitment so far made by a South Korean Government to a programme for the liberalisation of the nation's rigidly-controlled financial sector after a decade of false dawns.

The Government has set a deadline of 1992 for the free entry of foreigners into the country's securities market. A decision designed to jolt the banking and securities industries into a state of readiness to meet the international challenge that awaits.

Until then, the Government will continue steps towards the deregulation of interest rates and push ahead the establishment of the won as a fully convertible international currency to comply with International Monetary Fund rules - a symbol for the attainment of international economic maturity.

Interviews with leading Government and business officials leave no reason to doubt that the necessity for reform is acknowledged and under way. South Korea knows that it can no longer play outside international rules, using antiquated financial systems, if it wishes to sustain the economic growth of the past decade.

Mr Lee Kyu-sung, Minister of Finance, says domestic, as well as foreign influences, are at work stirring reform of the financial sector.

"It is true that there are external pressures on us to open our economy. But there is also pressure from within Korea because we realise that our market is too small and that we should therefore open it up," he says.

However, it is hard to break the habits of a life-time, and South Koreans believe there is considerable room for manoeuvre and compromise before the 1992 deadline. Clear indications

The Government's blueprint gave the firmest commitment so far made to a policy for liberalising the rigidly-controlled financial sector

are that there remain long and hard negotiations ahead, despite the commitment to reform, come in the form of repeated demands for reciprocity with foreign governments and warnings that rapid change could carry adverse economic and political consequences.

"It should be stressed," a senior government official said, "that the we have only

announced a schedule for reform and it is quite variable. If there is a sharp economic downturn or a change in the political climate we may not be able to open the financial markets to foreigners no matter how much we would like to. The principle is, however, that we do open the markets," he added.

There is an overriding concern that by opening the door to direct foreign investment in equities the government carries the risk of allowing relatively small South Korean groups to be swamped by outsiders. A wave of position-taking by US, European and Japanese houses would raise the possibility of a political backlash in a country where a sense of achievement through domestic endeavour is running high.

The Government has not given a ruling on the amount of foreign investment which will be allowed in the sector. But it is generally conceded that it should be between 20 and 40 per cent, to be reached gradually during the five years after the 1992 deadline with the issue of non-voting shares a possible pre-emptive step. In off the record comments,

senior figures in the industry express particular concern about the arrival of direct Japanese participation. In part, this is a hang-over of resentment from 36 years of Japanese colonial domination.

"We cannot discriminate if we chose to internationalise our market but there is no doubt that the main concern among Koreans is that the Japanese could grow to dominate our economy," a securities company executive said.

Mr H C Yang, the managing director of Dongsuh Securities, embraces liberalisation but expresses concern about the intentions of US groups. "If there is something to eat they will come quickly but also leave quickly when they feel like it," he said.

Concern about the lack of maturity and sophistication which could expose South Korean companies to foreign dominance runs through all areas of government and business. Sheltered for so long by a government which has directly managed the industry through the central bank and the Ministry of Finance, the sector is operating without a broad range of financial instruments and techniques available in

countries with substantially smaller economies than South Korea's.

"This is still a centrally controlled economy with a splash of capitalism so Koreans have not had need to think about the real world of international finance," says a US banker who has lived in the country for several years.

Mr Kim Kim, the Governor of the Bank of Korea, believes that liberalisation will accelerate the speed of modernisation. "Our people are open minded to internationalisation and we have to internationalise our banking system. This means getting more up-to-date techniques and teaching. So I would like to have more foreign banks here to teach local banks," he says.

Crippling losses through foreign exchange dealings at Kwangju Bank, based in the south west of the country, came as a warning of the perils ahead unless management and techniques are improved.

However, fundamental to the government's stated intention is the development of more independence within the banking sector. The five core national banks, which were theoretically turned over to

private ownership in the early 1980s, have in reality acted as tools for the Government's monetary and industrial policies.

Late last year the Government deregulated interest rates on lending and has plans to follow this with borrowing. But after a strong expansion in liquidity the Government has found it hard to let go of control and has intervened to force institutions to take up large-scale issues of monetary stabilisation bonds (MSB) at rates considerably above the bank lending rate of 11 per cent.

Dr Suh Jung Sun, director of the Daewoo Research Institute and one of a growing number of young foreign-educated economists who are calling for reform, sees the issue of MSBs as an indication of the Government's unwillingness to accept full interest rate liberalisation.

But the Minister of Finance says that the issues have been forced on the government by economic conditions and that concentrated efforts are being made to accelerate liberalisation of the lending policy.

The Government's policy of using banks as lending agen-

cies to fund government directed industrial development has left many with large doubtful or unrecoverable debts. It is difficult to quantify the size of these loans but even after considerable write-offs they represent at least 5 per cent of the assets of most of the banks.

To try and further reduce these black spots the Government has initiated debt-for-equity swap plans which form part of a broader strategy to strengthen the capital bases of banks through stock market equity issues.

Banks have been some of the

Concern about the lack of maturity local could expose local groups to foreign control runs through all areas of business and government

biggest callers on the equities market during the past three years of dramatic growth on the Seoul Stock Exchange. Securities firms have also made big rights issues in an attempt to strengthen their capital base and finance expanded services in the run up to 1992.

The domestic money market is in its infancy and a lack of

managerial experience hampers its tightly controlled operations. The Ministry of Finance has expressed an increasing willingness to allow companies to issue convertible Eurobonds, although the number of companies that have moved into the market remains small. Other instruments, such as bonded warrants, are being examined and call for them could increase as South Korean companies show an increasing desire to expand internationally through acquisition.

Locally-based foreign banks see a growing role for themselves in international mergers and acquisitions. Many of the 50-plus foreign banks have relied on foreign exchange dealing and letters of credit as the basis for their incomes. However, they claim that tighter control over the amount of funds they can swap into won has impaired their operations and that this forms part of a deliberate plan to narrow their base of activities and thus protect local banks from the full blast of foreign banks after 1992.

Such conjecture is bound to continue until the Government crosses the mass of grey surrounding the commitment to create a modernised financial sector able to accommodate demands into the next century.

Ray Bashford

Koreans point an accusing finger at Uncle Sam

Continued from Page 3 Secretary of War, agreed that the US would recognise Japanese control of Korea in return for a promise that Japan would not interfere with US interests in the Philippines.

Since last year, the 760-acre American base in the heart of Seoul has become a symbol of the anti-Americanism, attracting cries of "Yankee go home" but none of the "take me with you" often heard in the Philippines, where the US has played a central role since granting that country its independence.

Next year the US will return the base's 18-hole golf course to land-hungry Seoul, but the long delay in taking the decision seems to demonstrate how the US is sometimes unwittingly its own worst enemy.

"Most Americans have no idea how heavy they and the US come across," says Dr Horace Underwood, an American academic at Seoul's Yonsei University, which his grand-

father helped found. "Our way of thinking, and arguing especially, is not part of the East Asian culture, where there is more deference and fencing."

Another symbol of this insensitivity is the Armed Forces Korea Network, beamed to television sets across most of the country on the best VHF airwaves. Its mixture of American soap opera and jingoistic morale-boosting messages for the US forces is a heavy dose of Americana for a country trying to reassert its own nationalism and culture.

Koreans are free, of course, to ignore all this. But they don't - as the furor following NBC's TV coverage of an incident in the Olympic boxing ring last year showed. Enraged by a decision, disgusted Korean officials leapt into the ring and lunged punches at the referee. The sense of national shame that followed NBC's broadcast of the incident was nothing compared with the

intense anti-Americanism. As one American put it: "Here was Korea's arrival on the world stage, likened to Japan's entry at the 1964 Olympics in Tokyo, and the US was showing them up."

At times, Koreans appear to be playing both sides against the middle. The US should not interfere, but should have stopped Mr Chum at Kwangju; it should treat Korea as an equal, but beats the anti-American drum when the US demands the same access to Korean markets as Korea has in the US; and when Korea is demonstrating its maturity and arrival on the world stage, how could the US allow NBC to shame it?

Like the Philippines, which is also emerging from beneath the American wing, Korea is approaching the transition more emotionally than the hard-nosed Washington policymakers. This is particularly true of Commerce Department

officials, who think Korea's 1988 trade surplus with the US last year disqualifies Seoul from any soft-glove treatment, irrespective of any special relationship in the past.

So far, this emotion has only occasionally split over into violence. Radical students faced the office of the US Information Service, in Kwangju, to close and seek more secure premises after repeated fire-bomb attacks. And some US companies have had particularly bad experiences in labour disputes.

Since President Roh Tae Woo was forced to start "democratisation" in June 1987, Koreans have entered a period of national catharsis after years of foreign invasion and suppression from their own military governments. The flowering of democracy, a surge in labour disputes and the anti-American backlash are each a part of this process. However, more than some

other emerging countries, Korea is unlikely to be able to develop in isolation from the US. Everything, from the hugely successful Olympic games to the repeated international acclaim for their economic achievements, tells Koreans they have arrived on the world stage - yet the country exports a third of its produce to the US, and relies on American forces as a deterrent against North Korea.

It remains to be seen whether Koreans will continue their vigorous America-bashing once they become confident they do not need the US as a deterrent. If they do, it could seriously jeopardise Washington's other role in the world - that of defending US interests in a corner of the world where the Soviet Union, Japan and China rub shoulders.

Richard Gourlay

Seoul dancing to US tunes

Continued from Page 4 difficult, for example, to buy land.

The latest of many gripes focuses on recent changes in tax law, which appear to have altered the definition of permanent establishments. The upshot, says the EC group, is that some companies doing business in Korea now face huge tax bills, which contravene the spirit of double taxation treaties. The retroactive change is regarded as a "new indirect trade barrier". The charge may be wide of the mark, but it is symptomatic of the climate of mistrust which appears to prevail.

Koreans, for their part, are suspicious of the EC's 1992 programme. As one local economist explained, Koreans are so well versed in erecting trade barriers, they can readily imagine how Europe could turn itself into a fortress. Such fears may be misplaced, but the single EC market is regarded -

even by trade liberals - as part of a worrying trend towards greater regionalism in trade policy. Some see the recent US-Canada free trade agreement in the same light. The question being debated in Seoul and other Pacific Rim capitals is whether Asia should respond in some way.

Various proposals have been put forward. Japan's Ministry of Trade and Industry has suggested a regular meeting of Asian-Pacific trade ministers. Mr Bob Hawke, the Australian Prime Minister, has proposed a Pacific version of the Paris-based Organisation for Economic Co-operation and Development.

The Australian plan is taken seriously in Seoul. Mr Han, the Trade Minister, agrees that consultation on trade matters would be useful because the region is becoming the "most dynamic area in the world". But he emphasises that any Asian trade association must

be "non-discriminatory and non-exclusive". Nobody, he says, wants a "Fortress Asia". Mr Han points out that the role of the Soviet Union and China in such a pact would require careful consideration.

In the shorter term, however, Korea must gird itself for further talks about import liberalisation. Under Gatt rules quantitative import restrictions, such as Korea still maintains in agriculture, can be justified on balance of payments grounds. But Korea's move into substantial and apparently permanent external surplus removes this convenient prop. The US and other countries want Korea to accept that it no longer warrants special protection under Gatt rules. Korea's response will be a better test of its commitment to free trade than any number of concessions in the face of Super 301 blackmail.

Michael Prowse

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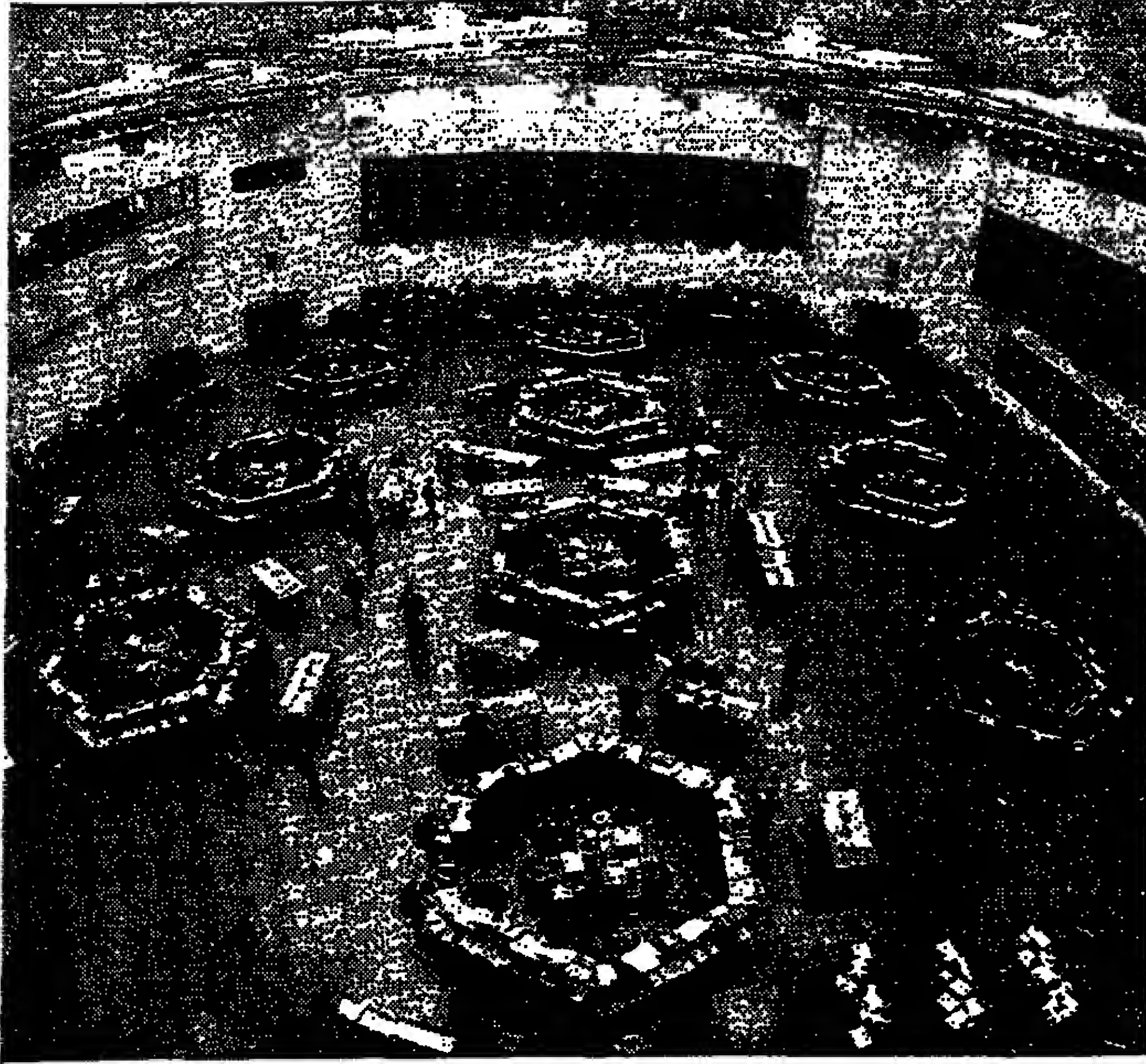
Ray Bashford on the buoyant optimism pervading the offices of securities firms

Market driven by sheer blind faith

THREE YEARS of gravity-defying growth on the South Korean stock market have made the nation's investors a rather confident lot. So bullish have they become after a 10-fold increase in the market's capitalisation since the beginning of 1986 that the Government has felt compelled to issue mild warnings against rampant speculation.

The financial health warnings caution the nation's 7m investors against recklessness while projecting the Government's firm commitment to expansion of the equities market.

Investment in the Seoul Stock Exchange has become synonymous with easy and virtually risk-free cash generation. Stories abound of farmers who have sold their cattle and moved into equities, office secretaries who have become millionaires several times over and Seoul housewives who



Seoul Stock Exchange: Investment has become a near risk-free form of raising funds

The Government has felt compelled to issue mild warnings against rampant speculation

meet in fashionable hotels to plot their next financial killings. A British banker based in Seoul says the market is driven by blind faith. "Often the smaller investors know nothing about the companies they are buying shares in, and that can't be healthy if it continues."

However unsophisticated, this groundswell of support has helped provide the momentum that the Government has been seeking. With a capitalisation of around \$100bn, the market is larger than Hong Kong's and roughly the same size as Sweden's, while its growth during the past two years has dwarfed all major international exchanges.

But so far this year the market's tempo has quietened as concern about the nation's trade position, size of wage settlements and the Government's intervention to issue Monetary Stabilisation Bonds to drain out excess liquidity have put the brakes on the rate of growth.

The share prices of most blue chip stocks are down on the year and the Composite

Stock Price Index has edged back from the 1,000-point barrier which it threatened to break earlier this year.

"The market will improve later this year but for the moment we appear to be moving sideways in a consolidation phase while we await the outcome of economic and political developments," an executive at a leading Seoul securities firm says.

Foreign participation has been limited to indirect investment through five convertible bonds, two funds and seven unit trusts which has held overseas investment to about \$3m. However, so-called "hot money" has leaked into the market in increasing quantities in recent years with estimates widely varying on the size.

Korean securities firms expect a strong growth in convertible bonds in the run-up to

a withdrawal of controls on direct foreign investment. The conversion premium on the existing CBBs, some of which are over 100 per cent above the underlying share value, illustrates the foreign interest in participation.

The Government has overseen transformation of the stock market through a policy of promoting it as a primary source of capital for industrial expansion. This represents a major switch in the policy for industrial funding which has been in place since shortly after the end of the Korean war. For most of this post-war period the power to generate growth has been provided by international loans which were ploughed into industry via the central bank.

But from under the weight of massive foreign loans South Korea, during the past three years, has emerged with

mounting trading surpluses and will be a net creditor nation by the end of this year.

This dramatic turnaround boosted domestic liquidity and created a wave of speculative capital which led to strong inflationary pressures. Coupled with an average savings level of 35 per cent, liquidity has been further swelled by high wage settlements which are likely to average at least 20 per cent this year.

Mobilising these funds and directing them away from short-term speculative investments, such as property, and into alternative areas which would stimulate long-term economic growth became a priority for the Government. But soaring property prices in most parts of South Korea would indicate that this is not yet proving successful.

But until this programme began, South Korean compa-

nies had very narrow capital bases which made them ill-equipped to expand abroad and reliant on domestic commercial bank funding. This, the Government concluded, also weakened the banks and made them internationally uncompetitive.

The success of the plan to divert funding away from the direct and indirect responsibility of the Government and towards the corporate sector is easily demonstrated: last year 75 per cent of financing for the securities market was derived through equity offerings and corporate bonds, compared with 22 per cent in 1980 and 51.5 per cent in 1985, according to the Securities Supervisory Board.

As further evidence of how this excess liquidity has been harnessed, the amount raised through the issue of securities has increased from \$3.9bn in 1985 to \$16.4bn last year, with

The market's growth since 1987 has dwarfed all major world exchanges

clear indications emerging that this figure will grow substantially in the current 12 months.

The bulk of this growth has come through rights issues which last year contributed slightly over half of all funds raised. Corporate bond raising expanded sharply in the five years up to 1985 to reach \$3.5bn, but has levelled out to total \$5.4bn last year.

In an attempt to broaden the industry spread of listed companies away from the traditional mix of trading, commercial and banking, the Government has encouraged a programme of public offerings by a wide range of companies.

As a result, there has been a rush of listings which by March this year increased the number of companies trading on the Seoul Stock Exchange to 512.

Many smaller and medium-sized companies are lined up to join the lists and it has been estimated by the Government that up to 900 will be traded by 1992. The privatisation programme which was launched last year with the flotation of Pohang Iron and Steel will accelerate during the next two years and will form a leading source of capital raising.

The disposal of substantial stakes in these government enterprises has caused an explosion in the number of shareholders. Slightly under 17 per cent of the population are shareholders compared with 2 per cent in 1985.

The nation's 25 securities firms have decided to take the share market to the people in the rural areas and have increased the number of branches they work through from 246 in 1985 to 494 in March this year.

A sense of overriding optimism pervades the offices of the leading firms about the future of the stock market, which trades at an average multiple of 12.9 times earnings compared with 3.3 three years ago. However, executives admit that the slowdown this year has given rise to short-term caution.

It would be wrong to underestimate the sheer speculative nature of the Seoul Stock Exchange. However, the capacity of the economy to react to substantially higher wage levels while maintaining international competitiveness during the next two years will severely test the market's underlying strength.



Textile plant near Pusan. Until 1988 textiles was South Korea's largest export

PRIVATISATION

Private sector's success seen as model to match

SOUTH Korea's creaky state enterprises are being radically reformed to improve performance and mirror the efficiency of the private sector. The plan, which the Government aims to substantially complete during the next three years through privatisation and an easing of bureaucratic interference, forms part of a broader industrial liberalisation plan.

Mr Jin Moo Lee, the deputy governor of the Securities Supervisory Board, also views the \$8m privatisation plan as a means of achieving a more equitable distribution of wealth throughout the population.

"We are stimulating growth through the stock market and creating a fairer distribution of wealth like Mrs Margaret Thatcher in some ways," he says.

State enterprises have played a pivotal role in South Korea's development over the past 30 years. Successive governments took the view that growth could only be achieved through a tightly centralised industrial policy during a period of relatively limited capital and managerial resources.

Infant private sector enterprises were also subject to direct government interference and the hang-over of this policy can still be seen throughout South Korean industry, although the Government is committed to reducing its involvement.

During the 1960s and 1970s, when the Government was reliant on foreign loans, there was an immense growth in the number of state enterprises. This policy was also guided by the desire of the government to retain control over industries deemed to be of strategic importance.

Direct control from Seoul was placed over large slices of the telecommunications, iron and steel and oil industries and the banking sector through the creation of state-owned enterprises which operated as guiding forces in the overall development of the industries.

The decision to partially roll-back the level of government participation, which was announced in 1987, has largely been the result of the manifest success of the private sector. The leaps forward which have

been made by the private sector during the past decade to give South Korea an increasingly important international industrial presence have highlighted the inefficiency of state-run enterprises.

In a recent report, South Korea's Economic Planning Board stated: "Since the private sector now has both capital and managerial experience and since public enterprises have experienced difficulties adapting to the rapidly changing business environment, it is necessary to re-evaluate and restructure the role of public enterprises in the economy."

The privatisation programme calls for the sale of 13

the Government was highly sensitive to some criticism of the overall plan. Opponents felt the sale left the way open for existing powerful houses to gain entry into another industry. In order to counter this criticism the Government broadened the ownership in Poseno by positively discriminating in favour of the less wealthy and set aside 75 per cent of so-called "people's shares" for lower-income earners. At the same time, a law was passed which limited the voting right of any individual or group to 3 per cent of the shares on issue.

However, there are widespread allegations of manipulation in the run-up to the issue and during the first few months of trading by major investors, the so-called "big hands".

The shares were deliberately undervalued at won 15,000 (\$23) because, according to the Government, "it (the issue) could give shareholders more direct financial gains." The shares opened trading at won 33,000 but in three months fell to a low of won 26,200 as a wave of selling hit stock.

The policy of encouraging smaller shareholders into the market appears to have been negated in this case because the number of people holding Poseno stock has tumbled from 3.2m at the time of the issue to about 1.5m.

In the wake of the trouble created by this erratic market performance the Government has instituted a plan which would provide financial incentives for people to retain their privatised shares for at least three years.

The success of these measures will be tested strongly later this year when the first phases of the two biggest sell-offs begin - Korean Electric Power and Korea Telecommunications Authority with a combined worth of about \$5bn.

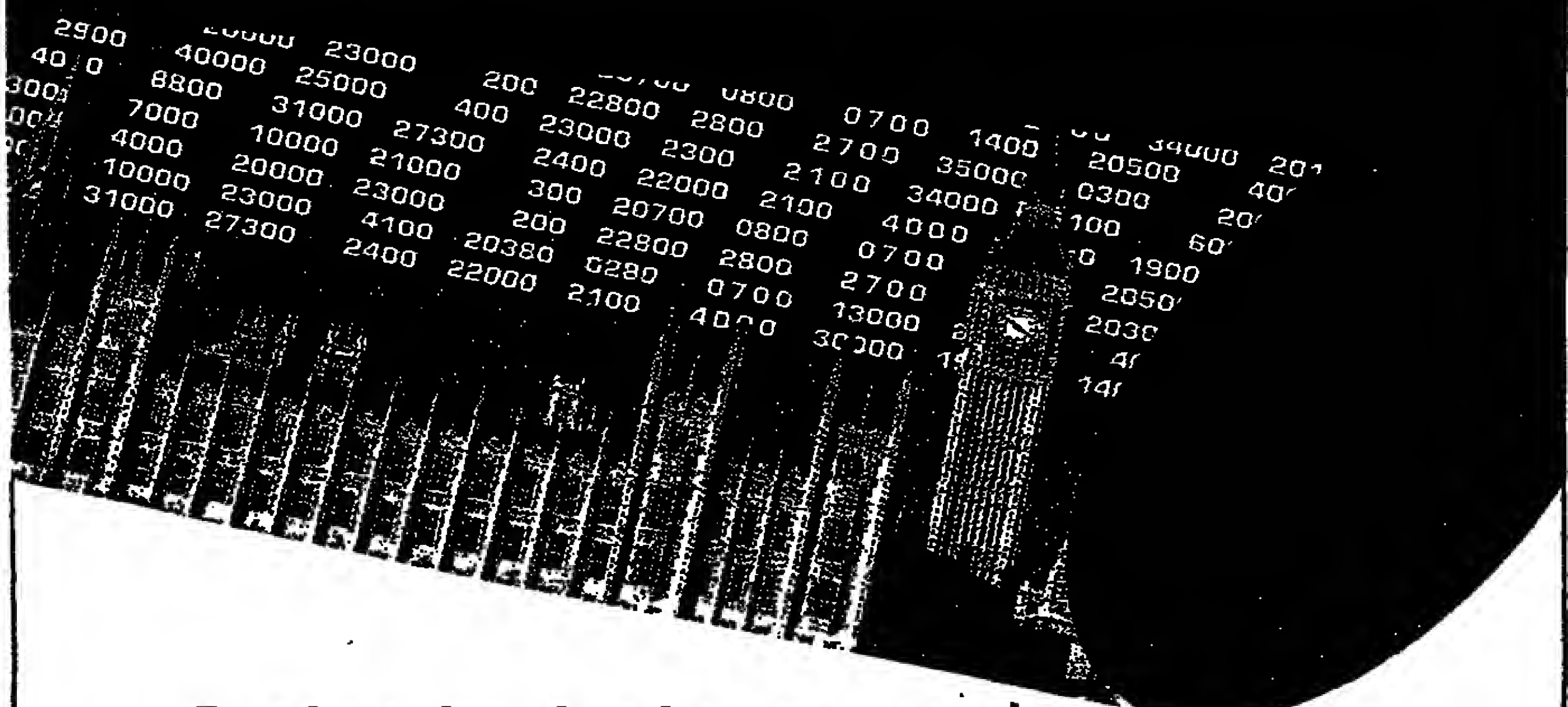
However, for a country known more for duplication than innovation, South Korea can lay claim to a unique privatisation. Earlier this year, it "privatised" the Seoul Stock Exchange, without of course listing it. The price? About \$100m paid out by the nation's captive securities companies.

'It is necessary to restructure the role of public enterprises'

As the first large divestiture

Ray Bashford

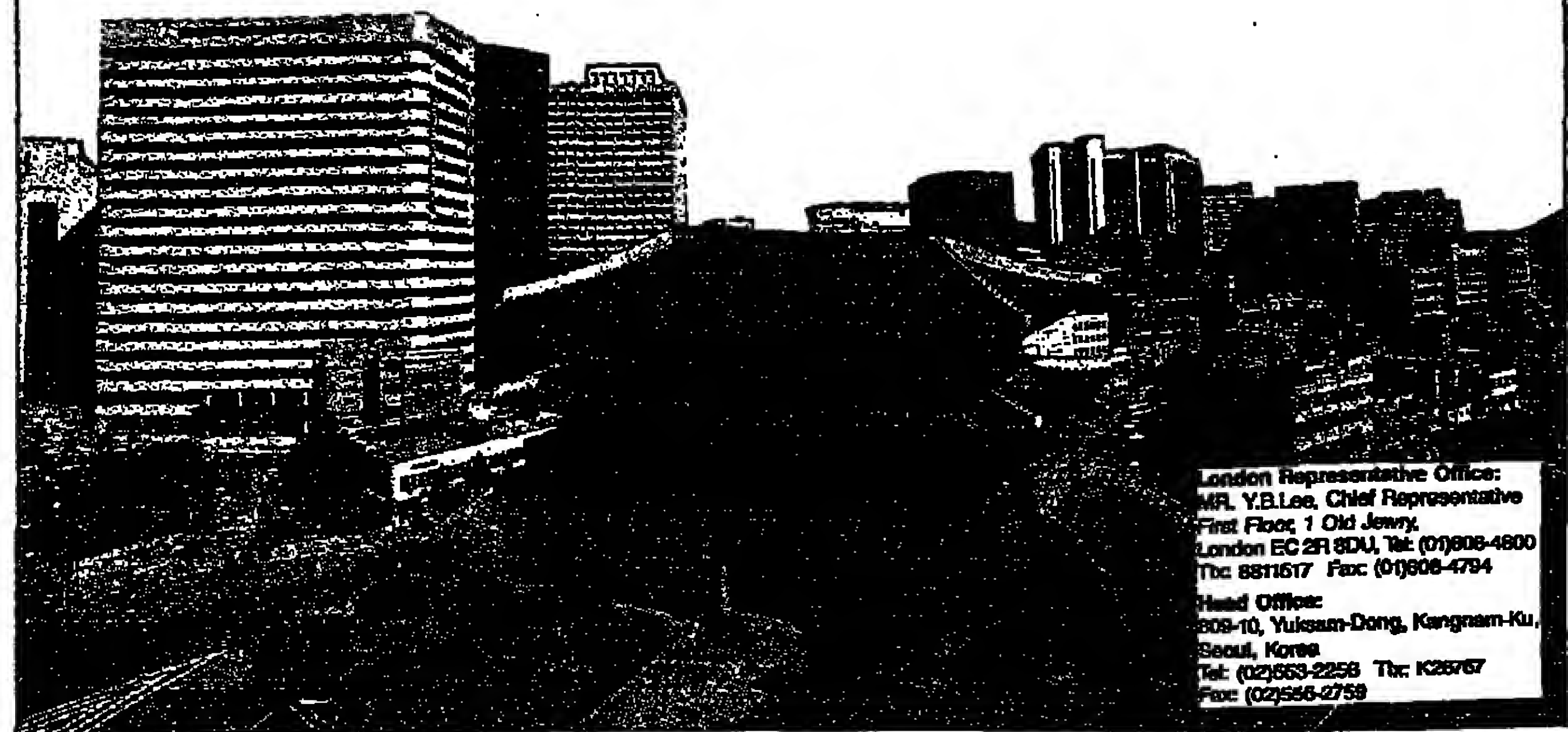
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The shipping sector highlights the changes affecting the entire basis of industry, writes Maggie Ford

An industry sailing too close to the wind

FEW COMPANIES, faced with a surge in industry-wide debts of shipping, would have any doubts. They would admit defeat, and their teeth over the unemployment costs, close down the companies and get on with investing in micro-chips or biotechnology.

South Korea, however, has no intention of giving up shipbuilding, even though its three main companies are in severe difficulties following both a prolonged worldwide shipping slump and a sharp rise in domestic costs.

Some of the reasons why the Seoul Government is prepared to help an ailing industry that many felt it should not have encouraged in the first place will be immediately recognisable to Western industrialists.

But others highlight the fundamental changes affecting the whole basis of South Korean industry, along with the links between companies, banks and the Government. A new mood is developing over how these connections should be handled as the country moves from a military-backed, dirigiste economy into an era of democracy and liberalisation.

As it diversifies its trading

The three main shipping companies are heavily indebted

Links in a more protectionist world, South Korea is already having difficulty answering complaints from the European Community and the US relating to government aid for industry. In almost all sectors, from ships to textiles to electronics to motor cars, the country's industrial structure is under scrutiny.

The present crisis for South Korea's three main shipbuilders illustrates several aspects of a system which many businessmen inside the country also now believe is out of date, inappropriate in the new political climate and often inefficient.

The shipbuilding crisis has arisen for two reasons - one related to the country's economic success and subsequent move towards democracy, the other resulting from the actions of various international shipping companies, which have benefited from changes in market forces.

All three of South Korea's main shipbuilders, Hyundai Heavy Industries (HHI), Daewoo Shipbuilding and Heavy Machinery (DSHM) and Korea Shipbuilding and Engineering Corporation (KSEC) are

heavily indebted.

All have thousands of workers engaged in building ships which will not be profitable. But only the Hyundai subsidiary can depend on sufficient resources from state companies to remain afloat until the expected upturn in world shipping arrives. The fate of the other two is now in the hands of the Seoul Government.

The decision to close down the shipbuilding sector is the heart of the subject of "Korea Inc", the policy under which planners mobilised resources and fine-tuned the economy to promote fast development. Foreign banks, used by KSEC, an independent company, but whose loans are the loans on the books of the Government, are now coming under sustained criticism as the country moves towards democracy.

A number of former owners whose companies have been "reorganised" are now suing for the return of their assets, charging corruption and favouritism, and in some cases workers are on strike demanding that original bosses be reinstated. Political considerations such as the strength of the opposition parties, which have a majority in the National Assembly, must also be taken into consideration.

Faced with decisions which could set a precedent for the future style of the whole industrial system, the Government has so far responded with extreme caution, taking more than 18 months to start dealing with the problems of KSEC, the first company to ask for help.

The difficulties at KSEC mainly result from the refusal two years ago by Norwegian ship managers to take delivery and pay for six vessels because of faulty hatch covers. The company was placed under a court order in April 1987 and all debts and interest payments were frozen.

Since then, negotiations with the Norwegians have ended, with KSEC agreeing to a 50m discount per vessel, but a further dispute arose over money pumped into the company by local banks to allow it to complete this and other contracts. The Bank of Seoul, KSEC's banker, came to a resolution of the problem last month by putting the company up for auction. The winning bidder was the Hanjin group, owners of Korean Air, which is to pay won 80m to take over the shipyard. Unsecured creditors, including the foreign banks, will have to wait nearly 18 years for their money under a debt rescheduling agreement.



Staying afloat: Hyundai shipyard at Ulsan. The company secured Government help in trying to end a damaging two-month strike

Ironically, if KSEC were to give up shipbuilding, it would be an attractive company. The shipyard sits on prime residential building land whose value is listed on the company's books at won 100m, but which is worth at least won 300m, an amount which would almost clear the debt.

But 120,000 people are estimated to depend on KSEC for their livelihood and the yard is in the home area of a key Opposition leader, Mr Kim Young Sam, who along with the Government, is under strong pressure not to allow closure.

At the same time, KSEC is regarded as a competent company, skilled in specialised areas and capable of taking advantage of an improvement in the world shipbuilding industry. It is not difficult to see why a decision on its future took so long.

The problems at Daewoo Shipbuilding and Heavy Machinery (DSHM) are even more complex. This shipbuilder is a subsidiary of the Daewoo Group, South Korea's fourth largest diversified chaebol or conglomerate. Apart from shipbuilding, Daewoo is involved in a huge range of

businesses, including cars, electronics and telecommunications, defence equipment and heavy machinery, finance and trading. Like most chaebols, Daewoo has stayed in business, though exceptionally heavily geared, by financing loss-making subsidiaries with cash flow generated by profitable ones. It has had perhaps the closest relationship of all the groups with past governments and is regarded as having had the worst labour relations.

Thus, when demands for democracy caused nationwide strikes in the past two years, Daewoo was hit hard. Long, acrimonious and violent strikes, at the shipyard in particular, forced the management to grant pay rises of 20 per cent two years in a row.

In the meantime, debts of won 1.4 trillion (\$2bn) were

draining the company to the tune of won 300m a day in servicing costs. Mr Kim Woo Chong, chairman of the Daewoo Group, eventually approached the Government for help, arguing that at least part of the problem was the Government's fault.

Under a reorganisation plan of the type which is now attracting strong criticism, Daewoo took over the shipyard in 1979 from an indebted state-owned company. It was given help by the Government at the time in the form of deferment of the original company's debt and proceeded to develop substantial businesses.

owed money by US Lines, the American shipping company which went bankrupt in 1986.

The Government, mindful of the political impossibility of giving more favours to failing companies in today's more democratic climate, has indicated that it expects Daewoo to contribute to a rescue plan by selling off profitable subsidiaries, including a chemical company, a short-term finance firm and the Daewoo headquarters building, raising won 250bn. The chairman of the group was asked to raise a further won 150bn by selling his personal stake in Daewoo Securities, the country's top securities firm.

For its part, the Government would reschedule loans to the state-owned Korea Development Bank of won 250bn, provide an additional loan of won 150bn and various other incentives. At the end of three years DSHM would be merged with Daewoo Heavy Industries, a profitable subsidiary.

Although Daewoo's initial response to the harsh terms was predictably angry, government officials say that they are satisfied with its efforts so far to reorganise management at the shipyard.

In devising the rescue plan, the Government was aware that if the shipbuilding subsidiary was not propped up, the entire Daewoo group could be in danger. Unlike the other conglomerates, none of the company's businesses is doing well enough to support a loss-maker on the scale of DSHM.

The contrast between Daewoo's attempt to solve its problems and the approach of Hyundai Heavy Industries could not be greater. HHI, part of the Hyundai Group, which is in far better overall financial condition than Daewoo, has attacked its difficulties, also caused by labour costs and currency appreciation, in a more independent way.

An effort has been made to renegotiate contracts with World Wide Shipping of Hong Kong, owned by Sir Y.K. Pao, and the company has engaged in a long argument over compensation with a Norwegian buyer over a vessel which is said to suffer from the same problems as the KSEC ships. Hyundai has suffered a substantial amount of adverse international publicity as a result of its independent

stance, especially following the issue of a London court order restraining a subsidiary's assets. Company officials now say, however, that negotiations on both issues are likely to be successful.

But Hyundai's efforts to end persistent labour disputes at its shipyard have caused further problems. The company secured Government help in trying to end a two-month strike at the yard caused by a violent attack on more than 20 union leaders by a group of hired thugs.

More than 14,000 riot police conducted a military-style raid on the yard, but found few workers. The raid raised tensions and the company was eventually forced to send a large team of executives to the plant after a strong government warning that the strike was causing a national crisis. Peace has now been restored, albeit temporarily.

Providing it is able to develop more harmonious labour relations, Hyundai remains in a good position to take advantage of a world upturn in the shipping industry. Its managers claim to see an improvement in prof-

In almost all sectors, the industrial structure is under close scrutiny

itable orders, and recently secured a \$270m order from the Soviet Union.

South Korean shipbuilders are now in second place behind Japan with 17 per cent of the world market. If the expected upturn arrives on schedule in the next two years, and lasts through the 1990s, they will be well placed to benefit. Had the movement for democratic change not broken out last year, wages would not have risen so fast and both Daewoo and Hyundai could probably have bridged the gap.

But they have also been victims of the overall economic success of the "Korea Inc" policy, which has caused the pressure from abroad for the appreciation of the currency to reduce trade surpluses. And at least part of their underlying problems are caused by the distortions that the policy has built up over the years.

Correcting these distortions, which affect the whole economy, while maintaining the momentum that has produced the world's highest growth rate, is South Korea's challenge for the next decade.

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SOUTH KOREA 8

Rising home car sales are sustaining the sector's growth, writes Richard Gourlay

Buoyed by a slice of good fortune

AN EXAMPLE of the good fortune that occasionally shines on South Korea is that at a time when the big car makers need to consolidate rapid export growth and overseas production, wage increases at home have boosted domestic sales beyond the industry's wildest dreams.

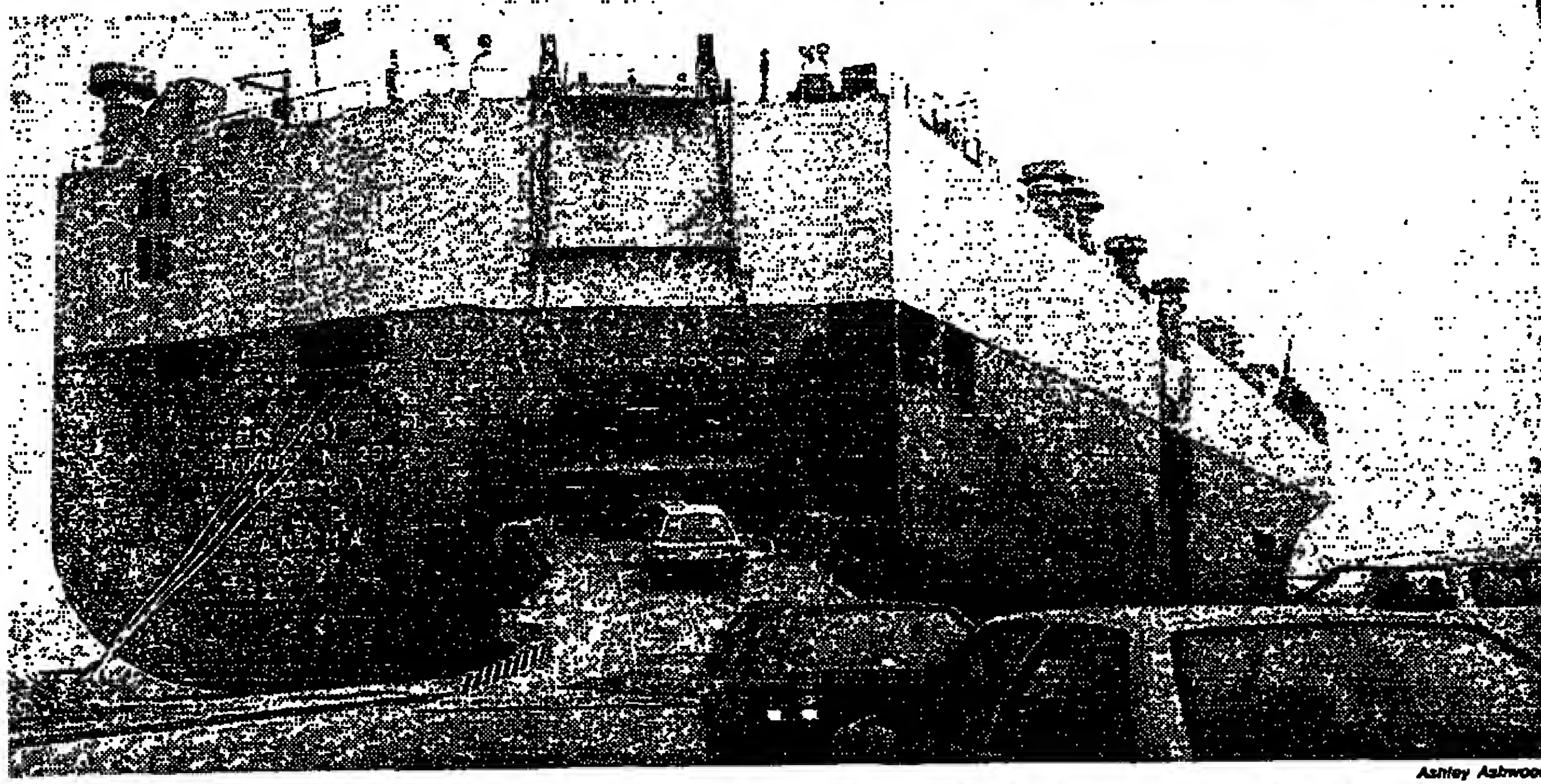
After two years in which exports doubled, the spotlight on South Korea's quicksilver auto industry is shifting to the domestic market. Car manufacturers have told the Ministry of Trade they expect domestic sales of cars and commercial vehicles to rise 60 per cent this year, surpassing exports for the first time. At the same time, the industry is braced for the arrival of Daewoo Motors into potentially the largest untapped market sector.

Last June Suzuki of Japan and the Daewoo Group agreed to make a cheap, 800 cc "people's car", aimed at the rapidly filling working-class pocket. Daewoo hopes sales will reach 120,000 in 1991.

No matter that Seoul's roads will become increasingly clogged, the big three - Hyundai Motor Corp, Kia Motors and Daewoo Motor - look set to continue pushing for more of the economies of scale on which the industry's phenomenal growth has been based.

Domestic car sales last year rose 14 per cent to 477,000 units but are expected to jump a further 40 per cent in 1989 to 670,000, marking the first time in the industry's short history that home sales have exceeded exports.

Hyundai Motor, the biggest and least dependent on foreign-technology of the big three auto makers, is still the overwhelming leader, controlling 50 per cent, compared with Kia's 28 per cent and Daewoo's 20 per cent. Hyundai's hold of the export market is even greater at 70 per cent compared with Daewoo's 16 per cent and relative newcomer



Outward bound: Hyundai Excels ready for shipping to the US, which absorbs 90 per cent of South Korea car exports

Kia's 14 per cent.

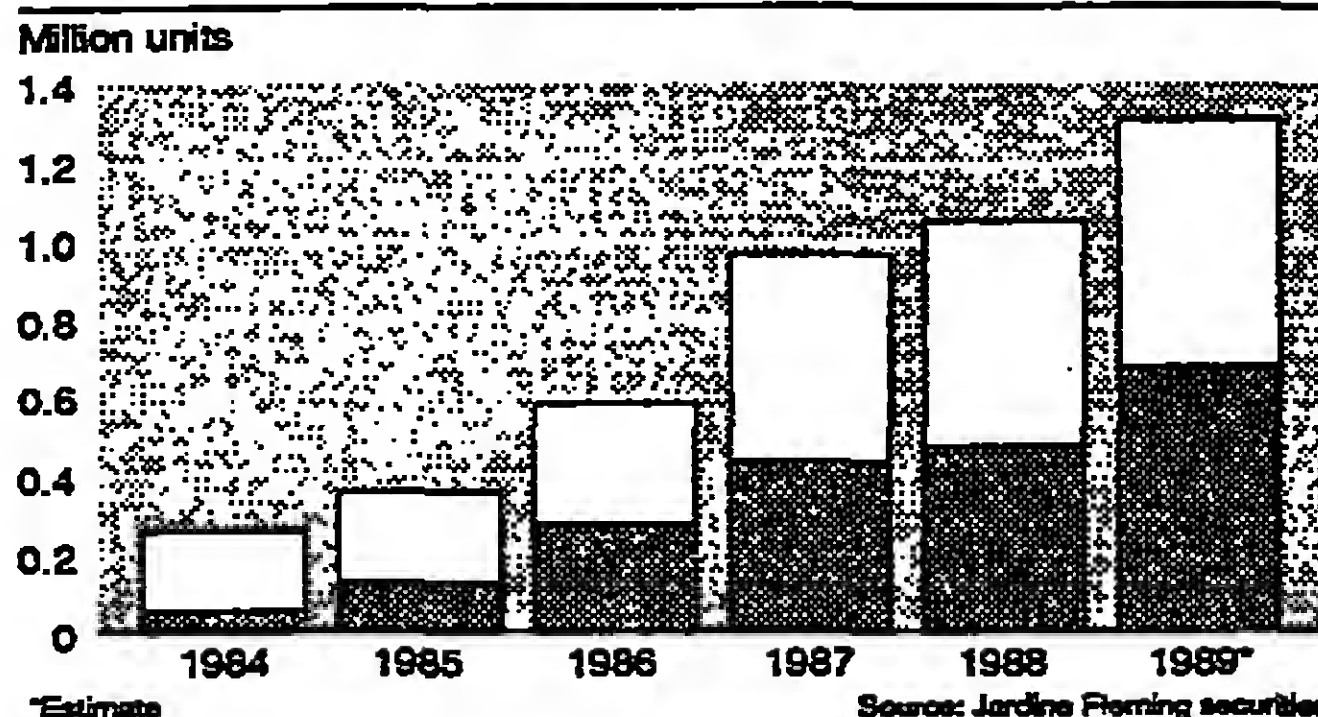
Hyundai expects to increase its domestic sales by 60 per cent this year but it fears labour disputes at parts suppliers will leave it short of its export target of 380,000, already 7 per cent lower than last year's shipments because of production from a new plant in Quebec, Canada.

The domestic boom has arrived at just the right time for all makers. They face a loss of competitiveness following the more than 20 per cent appreciation of the won since 1987, wages increases of more than 40 per cent over the same period and increasingly protectionist noises from the main US market.

Exports are unlikely to see the same growth, analysts say. "Hyundai had almost too successful an entry into the US so it had to do something dramatic like set up the Canadian operation," says Mr Lim Sung-Kenn of Jardine Fleming Securities in Seoul. "Hyundai had become so visible and a target for US protectionism."

The Sonata, a 1.8-2.4 litre multipoint fuel injection saloon, started rolling off the lines late this spring in Canada. Because of teething problems, according to industry sources, production is likely to

Sales of Korean automobiles



reach only 25,000 this year, or a quarter of the plant's capacity when it is fully operational.

Although the company says it is interested only in the Canadian market at the moment, it has the larger US market in mind.

This market still takes more than 90 per cent of all Korean car exports and is likely to remain dominant long after Hyundai starts marketing its highly successful Excel in Europe this summer.

Hyundai, more than the other producers, appears to have the technology and wage structure to consolidate a niche in the world market. "We

will never produce a Rolls-Royce or a Mercedes-Benz or even a Toyota but in terms of quality we can be near the top on the smaller cars," says Mr Chung Hoon-Mok, president of Hyundai Engineering and Construction and one of the group's strategic planners.

Though Hyundai Motor now produces its own indigenous models, it could not have achieved what it has without the technological help of Mitsubishi Motors and Mitsubishi Corp, which each hold 7.5 per cent of Hyundai.

Korea's other producers are less well positioned. Daewoo and Kia are far more depen-

dent on their partners for design and production technology. Daewoo - a 50/50 joint venture with General Motors - has adopted GM's Opel Kadett model for its 1.5 litre Le Mans saloon while Kia, in which Ford has 10 per cent, Mazda 5 per cent and Chon 2 per cent, uses Mazda's subcompact designs. This collaboration on model design poses difficulties should the Korean companies try to expand too quickly into their partners' markets.

Hyundai is confident its motor operations, already the flagship of the group, can remain a cash cow despite the large increases in wages and the appreciation of the won. Although it lost only 25 days in strikes in 1988, its parts suppliers have become less reliable. Hyundai can no longer operate just-in-time stock control and on the way at its huge plant in Ulsan thousands of almost finished cars gather a reddish dust as they await final parts before shipment. However, Hyundai plans to invest heavily to raise what have been below world industry levels of productivity and automation.

Across the industry Korean car makers plan to invest nearly \$10bn over the next four years on automation, new facilities and research, according to the Ministry of Trade and Industry. With this kind of

WHERE but in South Korea could the electronics industry's 28 per cent growth rate be considered worrying? Yet when exports of consumer equipment, including the key VCRs and colour TVs, grew "only" this amount in 1988 after more than doubling two years ago and adding 57 per cent in 1987, it confirmed the industry's fears.

Electronics, which moved ahead of textiles in 1988 as South Korea's largest export, was under attack from an appreciating currency, wage rate rises and increases in protectionism in the US and Europe. Thus, it would have to step up the pace at which it was changing tack.

Industry leaders - Samsung Electronics, Daewoo Electronics and Goldstar - have long spoken of the need to move up the technology ladder to higher value added industrial products, peripherals, parts and components. But whether the technological transition in time to weather the appreciating currency and growth of protectionism remains an unanswered question.

An array of impressive figures seems to show that the electronics industry is far from being in trouble. In 1988, on the back of a 35 per cent increase in output to \$2.5bn, it became the world's sixth largest producer. Exports rose 35 per cent in won terms to \$15.2bn and in the first quarter of this year by 23 per cent, or \$4.1bn, compared with the same period last year, according to the Korean Foreign Trade Association.

Still, this first quarter figure is down from increases of more than 40 per cent in each of the two preceding years' first quarters and the Electronic Industries Association of Korea (EIAK) forecasts that exports for April and May will have increased by only 9 per cent because of rising labour costs and the strong won.



Market leader: TV assembly line at Samsung Electronics

ELECTRONICS

Under attack on several fronts

year could have been foreseen by anyone familiar with US trade pressure, the acceleration of wages which has dug into profitability perhaps could not. Average wages in the industry rose 20 per cent in the first half of the year, compared with 14 and 18 per cent in the two previous years. Manufacturers complain about facing 80 per cent increases in wages in three years.

The reverse side of this coin is the increase in disposable income since 1987 when "democratisation" which was largely responsible for the 45 per cent increase in domestic demand for electronics goods last year began.

More threatening is the protectionism stalking the US and the EC, markets which accounted for 56 per cent of Korea's exports in 1988 despite its efforts to diversify. Seven of Korea's 10 leading export items are currently the subject of dispute with the EC.

In the meantime, after negotiations with European electronics industry associations during which Korea is thought to have been told to cut shipments and raise prices, the EIAK "offered" to police voluntary restraint agreements and price undertakings.

Three of Korea's largest chaebols have chosen to set up production facilities in Europe before the drawbridge goes up on "Fortress Europe", a move they seem to think is inevitable. Eight plants in the UK, Portugal, Spain, France, West Germany and Ireland now produce VCRs, microwave ovens and tapes.

However, there is already pressure from the European industry trying to prevent "screwdriver" assembly operations. Some Europeans are calling for the local European content of this form of overseas Korean production to be raised from the current level of 45 per cent to between 60 and 65 per cent. Until the move to higher-tech products progresses further, Korea's electronics industry will be equally vulnerable in the US, which is still its largest market with 37 per cent of sales in 1988. This was a rise of more than \$1bn to \$5.7bn but down by 6 per cent in terms of Korea's total electronics exports.

For the moment, the threat

that the US might "name" Korea as a "priority foreign country" under the Super 301 clause of the 1988 US Omnibus Trade Bill appears to have receded. But that relief - for political rather than trade reasons - could be reversed.

Korean exporters are also

One big change of direction is the move into semiconductors

restrained from moving more quickly upmarket into new higher-value consumer lines because of easy relationships with their competitors. A lack of indigenous technology in some areas means Korea's compact disc players use laser equipment from Philips in Europe. And Samsung has refrained from undercutting Japanese camcorder prices in the US because the company relies on Japanese suppliers, industry sources say.

Longer term, the MTI is encouraging development of smaller-scale producers, which employ less than 300 people, after studying the speed at which the largely medium to small-sized Taiwanese companies react to changing market conditions. Mr Lee Kun Hee, the chairman of Samsung, gave this a push last year when he announced the company would transfer \$2bn of lower end market consumer goods, such as small colour TV production, to subcontractors by 1991. The MTI has designated more than 30 electronics products for production only by smaller manufacturers.

Although Korea is never likely to be the small and medium-sized business "paradise" that Taiwan is, the Government says it is determined to reduce the dependence of Korea's 1,300 electronics companies on the large chaebols. It is supplying long-term loans and free use of government and university laboratories but small producers complain the Government helps only with development, not with production where they lack the chaebols' economies of scale.

Richard Gourlay

Talk of protectionism from the US and the EC is a big threat

One of the changes in direction has been the move into semiconductor manufacture. In 1988 production reached \$2.5bn and exports \$3.2bn, rises of 40 and 55 per cent respectively. The Department of Trade and Industry says it hopes Korea will have increased its share of the world market from around 6 per cent to between 15 and 20 per cent within five years, firmly securing its position as the world's No 3 producer behind the US and Japan.

The move has been hampered by limited experience with new technology, particularly as producers have moved from production of the 1-mega-byte dynamic random access memory (Dram) chip into development of 4-mega-byte Drams, industry experts say. Samsung is successfully producing 1-mega-byte Dram chips.

Last year IBM and Samsung - which had to pay damages to Texas Instruments for copyright infringements - signed a cross-licensing agreement on trade patents covering IBM's portfolio of design and manufacturing patents for semiconductors, in what the industry says is recognition of Korea's technological dependence on foreign companies.

Samsung is now the industry leader since its merger with Samsung Semiconductor and Telecommunications in 1988. Export figures are already reflecting a switch from consumer goods. Parts and components exports in 1988 grew 57 per cent to \$5.8bn, after a 25 per cent increase in 1987, while industrial equipment exports grew 38 per cent to \$3bn last year after a 74 per cent increase in 1987.

While the appreciation of the won by 15 per cent last

Wage increases at home have boosted domestic sales beyond the motor industry's wildest dreams

investment by existing manufacturers it seems unlikely any new players will join the big three when the Government lifts restrictions on the number of producers in July.

The expected growth in the domestic market coincides with a removal of the remaining restrictions on foreign car imports from April this year. Duties are also to be cut from 25 to 10 per cent in four years.

But the dent that foreign car companies are likely to make in the Korean market, although growing, is unlikely to be great.

Last year Korea imported only 487 foreign cars and it is a matter of some embarrassment to MTI officials, who are well aware of American protectionist sentiment, that of the 465 cars imported this year, most were made in Europe.

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- Electrolytic tinning and tin-free steel facility for Pohang Special Tinplate Co;
- Automatic shape and gauge control for Hyosung Metal Co;
- Plasma arc furnace development venture with the Research Institute of Science and Technology;
- Low pressure oxo alcohol plant for Korean General Chemical Co at Najju;
- Nylon 6 polymerisation plant for Tong Yang Nylon Co in Seoul.



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SOUTH KOREA 9

PROFILE: CHUNG JU JUNG

Corporate leader in class of his own

MR CHUNG Ju Jung, the 74-year-old founder of South Korea's Hyundai group never went to business school and breaks just about every rule he would have learnt there. His style is autocratic, his executives make a virtue of not overdoing long-term strategic planning, the company has been gangsterishly dependent on one man and group management takes a confrontational approach towards its workforce.

Hyundai has also been a huge success, growing under Mr Chung's leadership more than any of the other conglomerates, or chaebol, modern Korea's economic miracle.

Following an inspired move into car production, the group has, under Korea's state-directed capitalism from the 1960s through to the 1980s, become one of the world's largest conglomerates with estimated sales exceeding \$18bn last year.

Its future, however, is less certain since the process of "democratisation" got underway in Korea in 1987. With more political freedom, an active trade union movement has sprouted bringing higher

Executives make a virtue of not overdoing long-term planning

wage bills, while economic success has resulted in the appreciation of the won and protectionist winds in Hyundai's export markets.

Some observers say the external changes call for a shift away from heavy metal-based industries but Hyundai plans no fundamental change in direction. "The whole group will have to look to qualitative increase in income as the impelling objective and not just growth," says Mr Chung Hoon-Mok, the President of Hyundai Engineering and Construction company. This will require more co-ordination of higher value equipment with foreign companies, more capital investment and labour saving devices, and a move already under way into high-tech products, he says.

Analysts say that true to character, Hyundai does not seem to know in which of its key businesses its future lies. Hyundai Motor company remains a highly profitable cash cow for the group. Profits fell 23 per cent in 1988 to won 42.4bn (\$60m) on sales that grew 20 per cent to won 3,411bn. The company will be pushing for more growth, much of it in the domestic market, in order to continue increasing its economies of scale.

In the longer term the double blow of higher wage bills and an appreciating won suggests cars are not where the group's future lies, analysts say. Hyundai Heavy Industries, home of the main metal-based businesses, including shipbuilding which still accounts for 60 per cent of turnover, lost won 22bn in 1988 on sales slightly lower at won 645bn after breaking even the previous year.

A long strike at the shipyard, which ended in April, has not helped Hyundai's reputation for meeting delivery schedules and Mr Chung says the company will add only high value units to its two year, 6m dead weight tonne order book. Hyundai Heavy Industries plans, however, to expand into production of

The group has chosen not to expand in Europe ahead of 1992

machinery and plant equipment and, in a move that analysts say holds more promise, Mr Chung says the company will rush into "mechatronics" uniting its growing industrial electronics sector with its heavy industry.

Hyundai Electronics Industries entered the market late six years ago and is breaking even for only its second year. In 1988 it turned in a won 30bn profit on sales up 112 per cent at won 463bn. Despite a rocky and late start Hyundai Electronics is concentrating on the industrial electronics field where Korea's leaders Samsung and Goldstar are now heading because of fears of rising protectionism and the highly price sensitive nature of the market.

Hyundai has told the Ministry of Trade it will double its investment to won 180bn in 1989, double the rate of Samsung and Goldstar's expansion programmes. It is in the field of semiconductors, which the group entered shakily four years ago, pulled out of after troubles in Silicon Valley and is now firmly back in, that Hyundai has some most forward planning and, says analysts, where it could secure its future.

"Give us 10 years," says Mr Chung. "It is labour and technologically intensive, ideally suited for Koreans and will be in great demand in the future." The company's move almost directly into production of one megabyte dynamic random access memory chips (DRAM), jumping the 4Mbit level, has, however, prompted some analysts to suggest that Hyundai is running before it can walk.

Hyundai Engineering and Construction has faced a relative drought since the early 1980s but will probably have to look increasingly to the domestic market for growth. Last year profits fell 15 per cent to won 22bn on a 10 per cent fall in sales to won 1,985bn.

Like some other Korean consumer electronics producers, the Hyundai group has also chosen not to expand in Europe ahead of the elimination of internal trade barriers there in 1992, preferring to wait to see if the fears of a "Fortress Europe" materialise.

Mr Chung says Hyundai is more interested in setting up joint ventures in Europe from where the company would market its products globally. Hyundai's expansion appears to remain diverse but none of the golden businesses of the early 1970s are visible on the horizon. In the 1970s Hyundai Engineering and Construction cashed in on the Middle East oil boom to make stunning profits. Mosques dotted throughout Korea are monuments to Korean workers in the Middle East who converted to Islam; so too are Hyundai motor and Hyundai Electronics which were built from the profits earned by Hyundai Engineering and Construction.

Hyundai symbolises modern Korea's economic miracle

At the start of the 1970s the founder of the group also made a move that has rightly gone into modern Korean folklore, taking an order from Hong Kong shipping magnate C. I. Chang for a supertanker before Hyundai had even started building a shipyard. While honorary, but very active, group chairman Mr Chung Ju Jung is still around, Hyundai will be nothing if not increasingly vulnerable because it is more of a man than any of the other chaebol which are also led by dominating industrial tycoons.

"Anti-chaebolism, run more on

gut feeling - the honorary chairman is still very much in control

," says Mr Lim Sung-Kwon, analyst at Jardine Fleming securities in Seoul. This is potentially most damaging in labour relations. During the shipyard strike earlier this year senior Hyundai managers hired thugs to attack union headquarters. Later, they called on the Government to put down the "civil strife" which the Government duly did with the help of about 14,000 police.

Hyundai Construction's Mr Chung says both management and labour need to mature; one Hyundai employee says the honorary chairman takes it as a personal insult that any worker should strike for better conditions and wages. Some observers doubt whether a company with 175,000 employees in 25 subsidiaries can continue to be run like a boot camp, where until recently there was a reputation of Hyundai hatred and defiance.

Furthermore in a company so centralised, questions remain unanswered over Mr Chung's succession. Hyundai officials counter by saying there are more than 450 executive directors with an average 28 years of experience ready to take over.

One key factor in Hyundai's success is unlikely to change: control of the group will stay with the Chung family when the honorary chairman dies, and no major dilution of shareholding is expected. The Government's aim of limiting the concentration of economic power in the hands of the chaebol will prove much slower to implement than at first thought, says Mr Lim. As a result Hyundai will be able to continue the high levels of reinvestment for long-term returns free of the "short-termism" faced by companies answerable annually to shareholders.

Probably more than any other Korean group Hyundai will have to adapt to fit into the changing economic and political realities. Mr Chung may not have been to business school but Hyundai in Transition must surely be the subject of a case study one day.

Richard Gourlay

The petrochemicals sector has attracted a crop of potentially big investors, writes Ray Bashford

Race to claim portion of a lucrative pie

SOUTH Korea is joining an Asia-wide push into the petrochemical industry with a large-scale development plan which would create an important building block within the nation's industrial infrastructure.

At least eight companies are preparing development proposals after the Seoul Government signalled its desire to reduce dependence on imported petrochemical products.

The precise shape that the industry is likely to take and overall production levels will not be known until December, when the proposals will be made public. However, to judge by the feverish planning activity which is taking place in some of South Korea's biggest companies, the petrochemicals sector is shaping up to be one of the country's biggest targets for industrial investment into the next decade.

Figures vary widely on the construction cost of six naphtha crackers and the expansion of capacity at the two already operating, but according to an executive of a US petrochemicals company between \$8bn and \$9bn would be a fair estimate.

Last year, South Korea imported 71 per cent of its required ethylene. As ethylene plays a vital role in the overall production of a wide range of

plastics this shortfall also made the country reliant on the importation of a host of downstream products such as monomer styrene.

With the added production from existing plants and output from the planned six other crackers, South Korea's production will increase from 505,000 tonnes a year to 3.15m tonnes a year by 1993, according to the Korean Petrochemical Industry Association.

An oversupply threatens to develop if all projects go ahead along existing plans. The most recent figures published by the association forecast a total demand for ethylene of 2.2m tonnes a year by 1995 up from an annual 1.52m tonnes in 1988. All companies involved in the planned projects see the potential for export but this market is forecast to soak up no more than 10 per cent of the total output.

The locations of the possible sites along the west coast of the peninsula indicate that China is seen as a possible market. However, China's strength as a major buyer is doubted by some companies in the industry because Peking also intends to reduce its import requirements through the development of an indigenous industry.

Other Asian countries with accelerating industrial growth

such as Thailand, Indonesia and Malaysia are also pushing ahead with cracker construction and several should come on stream at about the same time as South Korea's.

At the same time, output from the Middle East, Western Europe and the US is at near record levels and is poised to increase further, threatening a large over-supply well into the

Several industry analysts believe that the companies may have paid insufficient consideration to the cyclical nature of the industry but rather are basing their forecasts on the buoyant conditions which the industry has experienced world-wide during recent years in a period of relative short supply.

"Recent history has shown

favour of the month so everyone is trying to get in," a representative of a foreign company said.

The Government initially called for expressions of interest from potential investors in the industry in April 1987 and the volume of proposals has slowed the decision making process. Analysts at the Seoul office of Jardine Fleming Securities conclude from recent research that 71 companies displayed initial interest in entering the industry in widely varying forms.

The two existing producers - Yuhong and Daelin Industrial - will retain their leadership after the completion later this year of their expansion plans which will boost output to 655,000 tonnes a year and 650,000 tonnes a year respectively.

Lucky Petrochemical and Korea Petrochemical have set late 1991 as the likely completion date for their plants which have a combined annual output of 600,000 tonnes. However, there remains a degree of doubt about whether all the remaining four planned projects will go ahead. Honam Petrochemical and Hanyang Chemical both intend to construct plants at Yeochum with production capacities of 350,000 tonnes a year.

The industry believes that if

any of the six new possible entrants was to drop out it would be one of these, due in part to the difficulty they are understood to be facing in the purchase of relatively scarce suitable land.

A government official dealing with the petrochemical industry said that Samsung General and Hyundai Petrochemical have already secured sites and would present construction proposals in December. Both plants, based in Seosan, have an annual capacity of 350,000 tonnes a year but are not likely to reach maximum capacity until at least 1995.

A go-ahead to this form of development of the petrochemical industry would dash any lingering hopes that leading international companies might have had of participating in upstream production.

Most of the international operators, including BASF, Shell, Dow Chemical, Hoechst and BP, have joint ventures under way with local companies in downstream production.

"It's a market that is too big to ignore and an industry that is going to change dramatically in the next few years," an executive of one of the companies said.

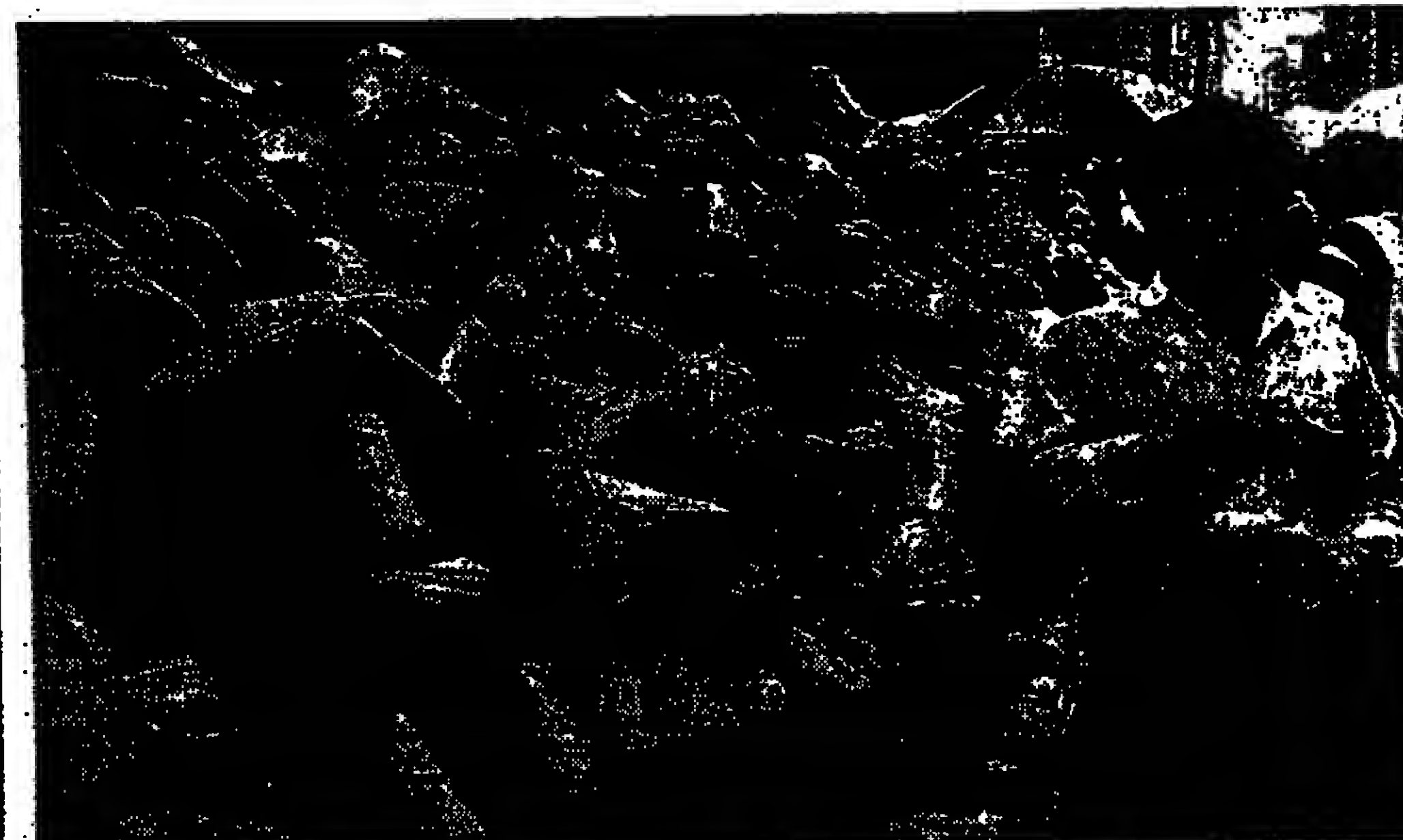
The shape that the industry is likely to take is still unclear. However, to judge by the feverish planning activity which is taking place in some of South Korea's biggest companies, the petrochemicals sector is shaping up to be one of the country's biggest targets for industrial investment into the next decade

next decade. Representatives of foreign petrochemical companies resident in Seoul fear an acute over-supply and believe that South Korean companies are attempting to commit themselves to excessive output targets.

"The Government has said that it will allow the companies to make their own decision. But the question is, are the companies going to throw the local industry into chaos through oversupply," commented an industry analyst.

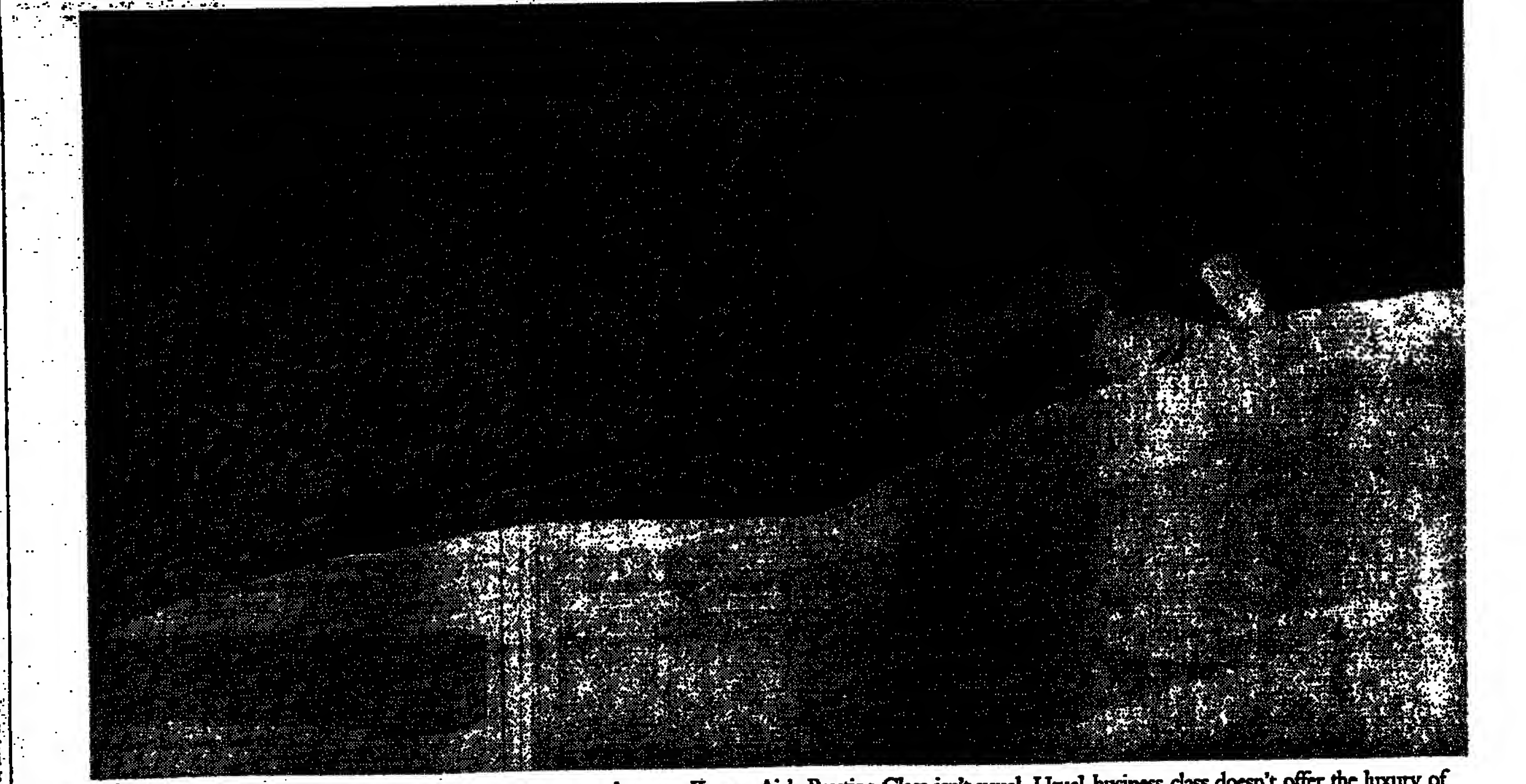
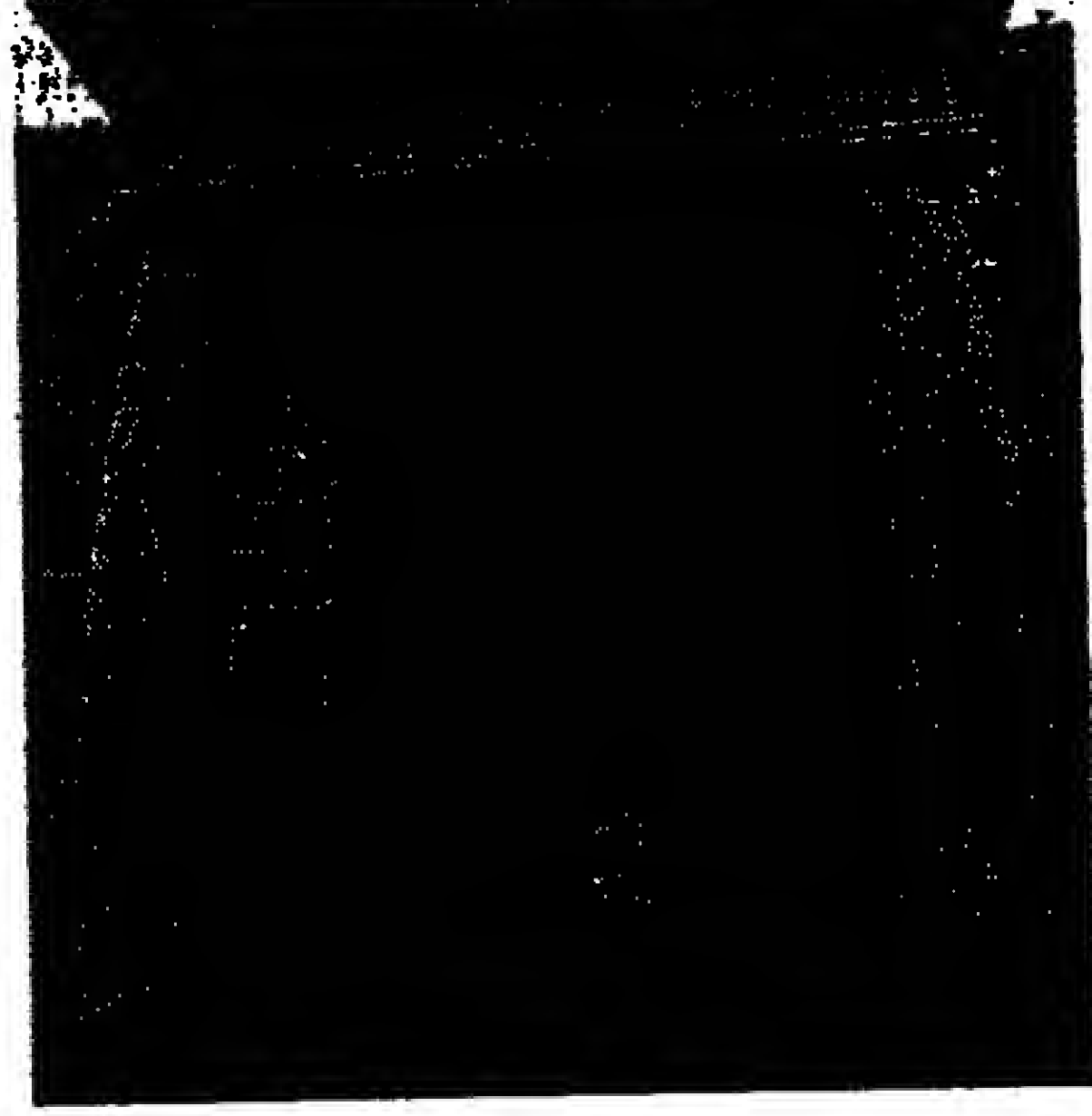
This to be a highly cyclical industry and if the oil price is driven back some of these local companies could be in difficulties with a lot of debt to service," said an executive with a South Korean company.

The rush to get into the industry is also seen as further evidence of big South Korean companies following one another for fear of being left out of an opportunity. "This is another example of me-tooism by the big boys of Korean industry. Petrochemicals is the



MONEY MARKETS (right): South Korea's central bank has been a major instrument of government policy designed to foster and protect local industry. But pressure is increasing to open up financial and other sectors to foreign competition. Mr Kim Kim, the Governor of the Bank of Korea says: "Our people are open minded to internationalisation and we have to internationalise our banking system."

STREET MARKETS (left): Dealer selling locally produced Boshok sports shoes, one of the most popular brand of sports shoes in Western South Korean export. Trade friction, notably with the US and EC, has revived interest in the possibilities of an Asian trade association, an idea taken seriously by Seoul.



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SOUTH KOREA 11

Outward bound tourism is one way of improving Seoul's international image, writes Ray Bashford

Passport out of the Hermit Kingdom

THE possession of a South Korean passport was a privilege, not a right, until the beginning of this year. Scarce foreign currency reserves and government control, for principally political reasons, over the movement of South Koreans had for years virtually paralysed international travel. However, the relaxation of restrictions on the issue of passports since January 1 this year has opened the floodgates to international travel for the nation's growing middle class. Mr Hwan-Kyu Lew, an executive director of the Korean National Tourism Corporation (KNTC), estimates that up to 1.5m South Koreans will travel abroad this year, compared with 725,000 last year. His confidence is based on figures for the first quarter of the year, which show an 82 per cent increase on the corresponding period.

Long queues at the passport office and immense difficulty in booking an outward ticket are evidence of a collective desire to break the sense of national isolation that has surrounded the South Koreans during the past three decades as they have applied a single-mindedness to economic reconstruction. Since the end of the Korean War, foreign travel has been the preserve of government officials, businessmen and students, with tourism beyond the financial reach of all but the extremely wealthy even if pas-

ports would have been available. As well as a reflection of a movement towards political liberalisation, the Government's support for overseas travel is a response to the nation's sharply improved current account. The past two years have shown a strong growth in the trade surplus and, by encouraging tourism, the Government can be seen to be making some effort to reduce the mounting foreign currency reserves while displaying a further sign of national maturity. Outbound tourists last year exchanged won to the equivalent of \$1,350m against \$700m in the previous 12 months. This response to international pressure to ease the trade surplus mirrors the Japanese Government's policy of promoting large-scale package tourism. Mr Henry S Oh, the chairman of Global Tours, one of country's leading travel companies, draws a parallel between the trend emerging in South Korea and Japan's achievement of a target of 10m outbound tourists three years ahead of the 1991 schedule. The typical South Korean tourist is also likely to be part of a package tour which will take him to at least three usually Asian destinations during a week-long trip, according to a representative of a European airline. "Most of the people going abroad from this country are

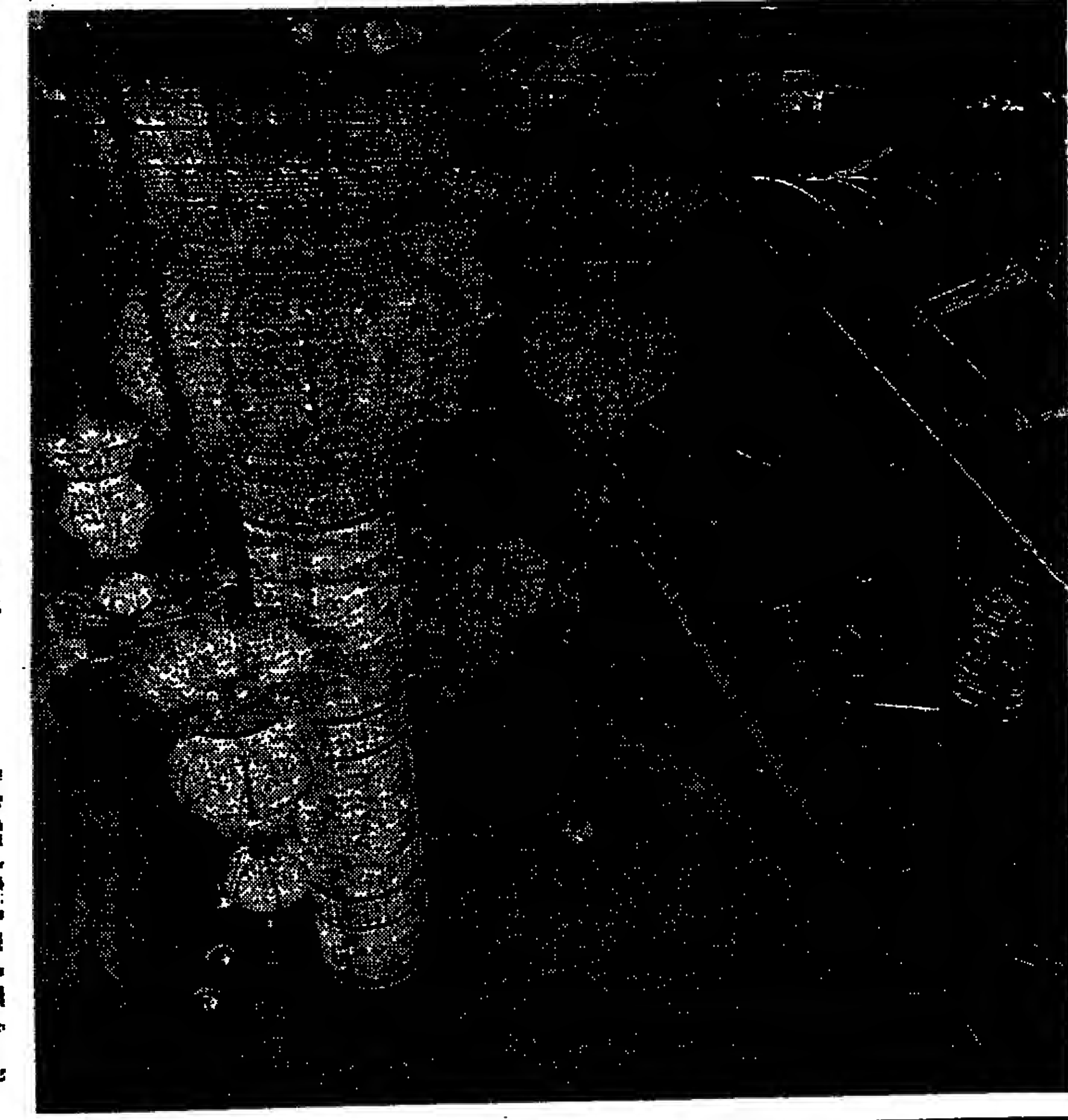
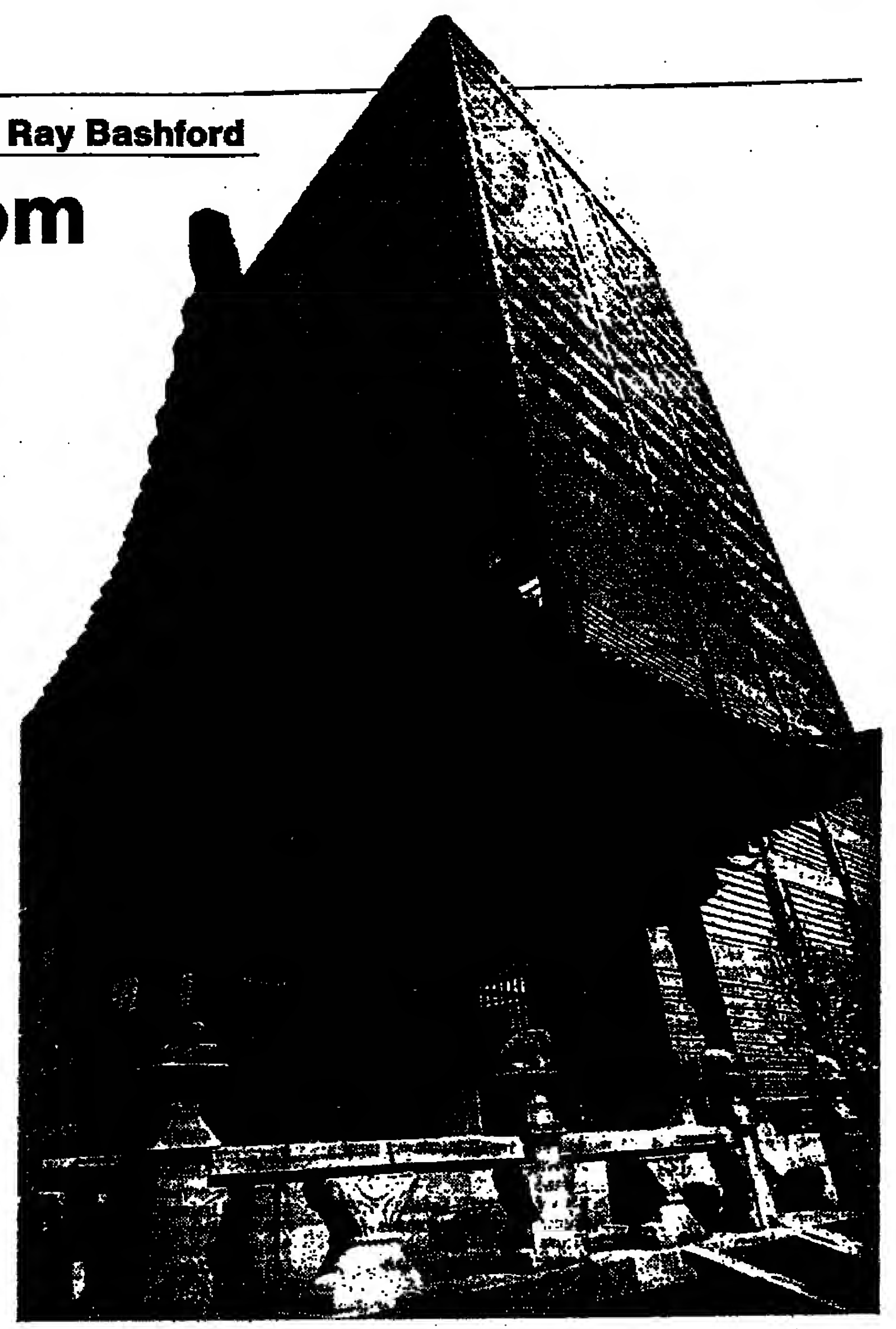
doing it for the first time so they are thrilled by having visa stamps in their new passports and photos in front of famous places," he says. Japan is the most favoured destination. Last year 44.3 per cent of travellers included Japan in their itinerary to satisfy curiosity about the neighbour which for 36 years ruled them. Taiwan, Singapore Hong Kong and Thailand often also form part of the typical package. The cost of travel to Europe, compared with Asia, remains prohibitive to most although it is certain to become a more popular destination when people begin to head off for their second and subsequent overseas trips and when the population's affluence increases further. With this rapid expansion, the KNTC has grown concerned about the international image of South Korea abroad. To school them in the finer points of international travel and etiquette all people applying for passports must attend four hours of lectures.

"We worry about our international image and we want all our people to be ambassadors for their country," Mr Lew says. "I want Koreans to be seen as rich people," he adds, while pointing out that the average South Korean spends \$2,100 on a trip and the average Japanese \$1,400. However, the reverse side to this outflow of South Koreans does not appear quite so healthy. South Korea suffers from an image problem in attempting to attract more tourists to its shores. Political unrest in a divided nation, dramatically televised into homes around the world, has forced the country well down the list of possible holiday destinations for Americans and Europeans. The KNTC estimates that 2.5m people will visit South Korea this year compared with 2.3m last year when the country was host to the Olympic Games. This is seen by several people in the industry as a poor growth rate in the year after the Olympics which were accompanied by the adverse publicity of riots and preceded by a public row with North Korea. Japan remains the basis of the tourist inflow and Mr Oh says it is the Japanese who best understand the political situation in South Korea and are therefore less concerned about it. The US, however, is a different matter. A delegation of government tourism officials recently visited the US in attempt to allay the fears of potential visitors who recall at such television pictures as the US flag being burned in the streets. As an indication of how severe the downturn has

been, only 2,000 American Rotarians attended a recent conference in Seoul from the 5,000 who were invited and the overall number of US tourists threatens to decline this year. During the recent decades of isolation, little information about the attractions of South Korea leaked out, further complicating the task of promotion. The relics of Korea's long history are offered by travel companies as the nation's greatest asset in the development of the industry. Seoul is sprinkled with palaces and shrines which provide places of tranquillity in a city bent on office tower and motorway development. Kyongju on the south-east coast is being promoted as "the museum without walls" due to its wealth of temples and shrines dating back to AD 668. Unesco has selected Kyongju as one of the world's 10 most important historic cities and restoration work is in progress on many sites. Cheju Island, off the southern tip of the Korean peninsula, is perhaps the best-known tourist area outside Seoul. It is popular with Japanese who make the short trip across in their thousands, particularly during the mid-year honeymoon season. Several international hotels operate on the island and more are to be constructed as part of a nation-wide programme to upgrade accommodation for all levels of the tourist trade. But places such as Kyongju, Cheju and the hundreds of coastal and mountain resorts will remain byways to the international tourist routes until the South Korean political temperature lowers.

To teach them the finer points of travel and etiquette all passport applicants must attend four hours of lectures

Old and New: Seoul's memorial to the Kojong enthronement with a skyscraper in the background (right); a crystal tower attraction in one of the capital's main shopping centres (left)



Business person's hard won leisure excursions

COMING TO Seoul? Pack your credit cards and a wallet stuffed full of Korean won, the more the better. For prices in Seoul have rocketed since the beginning of the economic boom, especially in the service industries. Start with your airport taxi driver. The base fare in an ordinary taxi at won 3,500 is one of the city's better bargains - but in some taxis the meter is not switched on. Expect to be asked for as much as won 20,000 at your destination, though many drivers will settle for won 10,000. Ordinary hotel rooms in the downtown area are now costing won 144,000 with an extra won 30,000 added for the executive floor. Ask, and you will no doubt receive, a corporate discount of 20 per cent. Need a chauffeur driven car? One day attempting to negotiate Seoul traffic and its complicated taxi sharing arrangements will probably convince the business visitor to hire one, especially if time is short. Expect to pay at least won 100,000 a day. If you're lucky your local business contact may be able to help with a car during your visit. Traffic problems have worsened considerably in the past two years and more time is needed now to travel across the city. Those visiting government ministries and economic planning institutes in the suburbs should plan appointments with this in mind. Seoul's evening rush hour starts at 7pm and results in jams of more than an hour for those travelling south. If you have an evening dinner

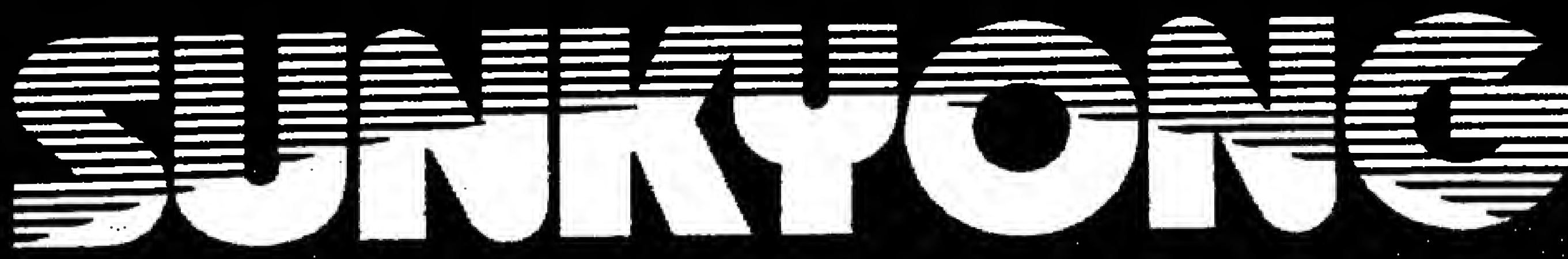
south of the Han River, leave earlier or later to avoid the crush. Although South Korea's restaurant and night life costs have not yet reached the dizzy heights of neighbouring Japan, they are fast catching up. Expect to pay won 100,000 for dinner for two including wine in a French hotel restaurant. Italian food will be cheaper from about won 60,000. Dinner at a good Korean restaurant is likely to set you back about won 30,000 per person, although a simple meal at any of the numerous small cafes can still be had for less than won 5,000. Most businessmen visiting Seoul are taken out by their Korean hosts for an evening, starting with dinner and going on to a night club or "room saloon". Make the most of it because your night out will probably cost your host the following: won 80,000 for a bottle of Scotch; won 40,000 for an obligatory plate of fruit or snacks; won 50,000 each in tips for the attentions of a hostess; won 50,000 tip for the private guitarist who will provide the backing for songs (Be prepared, rehearse your song in advance). At the weekend you may fancy a game of golf. Few visitors realise the problem this entails, for golf has become one of the most expensive and exclusive pursuits in newly-affluent South Korea. Club memberships now cost as much as won 3m and even members cannot be assured of a game. If your colleague's connections are good, be prepared to pay won 55,000 in green fees and a tip of won

12,500 for the caddy. Prices fell to won 37,000 during the week and courses are far less crowded. The news is not so bad however for foreign shoppers. A trip to the bazaa and nightclub area of Inseon still finds Reebok sports shoes at around won 10,000 although a tailored suit might now cost at least won 150,000. Silk dresses remain a bargain at around won 35,000. Korean ceramics tend to be expensive, appealing to the Japanese tourist market. Antique furniture, such as the attractive Korean chests, now cost from around won 300,000 for something of good quality. Bargain hard at all times, especially if there are few shoppers about. The rise in prices, fuelled by wage increases and the country's current account surplus, have been spectacular in the past six months. South Koreans, feeling proud of their prosperity are gladly showing off their ability to pay. But there are signs that this may not last. In January consumers became enraged when it was revealed that department stores were holding fake "sales", sometimes even raising their already high prices. The stores saw Seoul's first demonstrations over consumer rights. Since then, revenues have been well down as shoppers look elsewhere. It seems clear that, unlike the Japanese, South Korean consumers will not forever accept high business profits at their own expense.

Maggie Ford

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SOUTH KOREA 12

The social consequences of economic growth are now causing concern, writes Michael Prowse

Unequal society rethinking its priorities

KOREANS have kept their heads down and worked amazingly hard for the past three decades. Their reward has been prodigious economic growth. Per capita income now exceeds \$4,000; it was less than \$80 as recently as 1960.

This is a spectacular success story. Yet when Koreans lift their heads from the workbench they cannot be entirely happy with the kind of society they see around them. In some respects the country is becoming a "capitalist hell".

Economic growth has been chronically unbalanced. Nearly 40 per cent of the population is crammed into Seoul and the surrounding metropolitan area. Business, medical, educational and cultural facilities are disproportionately clustered in the capital. Yet large swathes of the rest of the country, especially in the south-east of the peninsula, are poor and underdeveloped.

At the same time, family-run conglomerates and wealthy individuals are widely regarded as having grabbed an unfair share of the spoils of growth. The figures show that as Korea has grown richer, the distribution of income has grown more rather than less unequal, contradicting the normal pattern of development.

In 1985, the bottom 40 per cent's share of income was 19.3 per cent; by 1985 it was 17.7 per cent. During the same period the share of income going to the top 20 per cent rose from 41.8 per cent to 43.7 per cent.

But income distribution figures are far from the whole story. It is the uneven ownership of land, property and

financial assets which causes the greatest ill feeling. The inequalities have grown more visible because the rich in Seoul have become defiantly conspicuous consumers.

"BMW and Italian furniture are selling like hotcakes," says Dr B J Yang of Hyundai Investment Management, adding that people should "show more restraint" because the country's state of development does not yet warrant such luxuries.

The Government voices concern. Policy, says Mr Cho Soon, the deputy prime minister, is "very keenly directed to reducing inequalities in the distribution of income and wealth." There are plans, for example, to tax property and financial assets more heavily, and to put more resources into the less developed regions.

Ministers are also being forced to grapple with the increasingly serious shortage of housing. In November, a presidential commission on economic restructuring noted that in urban areas the total supply of housing units fell 40 per cent short of the number of households. As a result, while the wealthy own a string of apartments and speculate on rising property values, those on lower incomes cannot find anything to rent or buy.

The Government is attempting to ease shortages in Seoul by building two satellite towns.



When Koreans lift their heads from the workbench they cannot be entirely happy with the kind of society they see around them

But the plans have been heavily criticised. A large proportion of the apartments are spacious and obviously targeted for the middle classes. Mr Kim Dae Jung, the leader of the main opposition party, is particularly sceptical, arguing that bold and imaginative policies to stimulate growth in the regions are required, rather than more houses close to Seoul.

Social welfare spending in Korea is niggardly, even by Third World standards. Social security expenditure accounts for a mere 2.6 per cent of gross

national product compared with an average of 7 per cent in other developing countries and 10 to 15 per cent in advanced countries.

The argument against state welfare has always been that Korean family ties are much stronger than in the West. The young are much more willing to support elderly relatives. But urbanisation, industrialisation and materialism are undermining these social bonds. Increasingly the disadvantaged are left to fend for themselves.

Ministers say they are

keenly aware of the need to improve welfare services. The Ministry of Health and Social Affairs's budget has increased by close to 30 per cent in won terms in each of the past three years — far faster than that of central government as a whole. The increased spending mainly reflects the expansion of medical insurance.

At the end of 1988, 67 per cent of the population were in medical insurance schemes and a further 10 per cent received medical aid or assistance. The corresponding figures for 1985 were 44 per cent

and 8 per cent. In 1979 only just over a quarter of the population was covered by medical aid or insurance. From this July, the Government intends to fill the remaining gaps by extending insurance to the urban self-employed and the employees of very small companies.

Premiums range between 3 and 8 per cent of salaries and are borne equally by employees and employers. But by developed country standards, the benefits are not generous. Insured patients have to pay 20 per cent of hospital costs out

their own pockets. And insurance benefits run out after 180 days, regardless of the nature of the illness.

A national pension scheme was launched in January 1988. Previously, schemes had existed only for civil servants, the military and private school teachers. Last year a total of 5.3m people were in schemes out of an economically active population of some 16m. The national pension is explicitly redistributory: the basic payment is 40 per cent of final salary for those on average incomes; but low earners get proportionately more and higher earners proportionately less.

The Korean welfare system also includes some public assistance for the very needy and limited social welfare services for children, the disabled and the elderly. But the expenditure on these programmes is minimal.

Take the example of disability. There are about 915,000 physically or mentally disabled people in Korea. Yet welfare institutions for the disabled housed only 11,000 people. In 1987, the Government supplied only 619 artificial limbs, 385 hearing aids and 533 wheelchairs. Visitors to Seoul will note that there are virtually no facilities for disabled people in buildings or on the streets.

Worries about inadequate

welfare spending are compounded by other social ills. The environment is heavily polluted. The urban landscape is ugly. The traffic system is chaotic and deadly. Indeed, a recent poll showed that 75 per cent of the population were concerned about traffic safety; 46 per cent considered themselves "at risk" when driving.

For three decades Korea sought economic growth regardless of the social consequences. Attitudes are now beginning to change. Official reports are sprinkled with phrases such as "quality of life" and "social justice". But although there has been a belated expansion of some programmes — particularly in the field of social insurance — the commitment to welfare policies in their broadest sense seems shaky.

Some increase in the ratio of tax to gross national product will be allowed. (The current ratio of about 19 per cent is less than half the average in OECD countries.) But many Korean economists are wary of the "British disease" as an example of what must not be allowed to happen.

The truth is perhaps that Korea's development has been too hectic and its democratisation too recent to allow detailed consideration of the big social questions. How much inequality and how much welfare? These are questions for the future — and questions that are unfamiliar for a country obsessed by growth.

KEY FACTS

Area: 99,143 sq km
 President: Roh Tae Woo
 Population: 42.08
 Birth rate per 1,000:
 1965: 35%; 1986: 20%
 Population per doctor:
 1965: 2,700; 1986: 1,390
 Labour force as % of
 population:
 1965: 53%; 1985: 64%
 Urban population as
 % of total:
 1965: 32%; 1985: 64%
 Life expectancy at birth:
 69 years
 Real growth in GDP: 11.28%
 Average annual growth in
 GDP (1980-87): 8.7%
 GDP per capita:
 \$3,626; Taiwan: \$4,812;
 Hong Kong: \$5,553
 Inflation: 7.1%
 Average annual inflation
 (1980-87): 5.1%

Currency:
 100 chun = 10 hwan = 1 won
 Average annual exchange
 rates:
 \$ = won 731.47; £ = won 1,303
 Current exchange rates
 (June 1989):
 \$ = won 669.87; £ = won
 1,059.40
 Merchandise exports:
 \$99,500m; Taiwan: \$60,590m
 Average annual growth in
 volume of exports (1984-88):
 13.4%; Taiwan 14.4%
 Average annual growth in
 price of exports (1984-88):
 6.96%; Taiwan 4.74%
 Main export markets:
 US 35.1%; Japan 19.9%;
 Hong Kong 5.1%; Canada
 2.8%
 West Germany 3.9%;
 Merchandise imports:
 \$49,000m; Taiwan \$48,650m

Average annual growth
 in volume of imports:
 13.2%; Taiwan 17.3%
 Average annual growth in
 price of imports:
 0.5%; Taiwan 3.8%
 Main source of imports:
 US 26%; Japan 32.9%;
 Malaysia 2.7%;
 West Germany 4.4%;
 Australia 3.6%
 Trade balance as % of GDP:
 6.7%
 Current account balance:
 \$14,181m
 Stock of debt: \$40,459m (1987)
 Total debt service:
 \$12,299m (1987)
 Debt service ratio: 21.9%
 (1987)
 Official reserves: \$20.8bn
 All data 1988 unless stated
 otherwise



Changing society: traditional trader (left) and the new urban young outside a fast food restaurant

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ACCOUNTANCY COLUMN

National differences translate results

By Richard Waters

The differences between the various accounting systems in use in the European Community - and the implications of these differences for the free flow of capital - are little-researched areas, particularly when compared to the amount of effort that has gone into looking at the differences in tax systems.

A recent Touche Ross report on the subject is therefore particularly welcome - if only because it is likely to arouse more interest in the subject. The report takes a multinational company (unnamed) and

Touche calls on the European Commission to harmonise consolidated accounts

recasts its profits in the accounting languages of seven major European countries. The basic results are illustrated in the chart, which shows the most likely operating profit and net profit the company would have reported under each accounting regime. UK accounting rules produce the highest net profit, at Ecu 192m. At the other end of the scale Belgium, Germany and Spain all produce a net profit of between Ecu 131m and Ecu

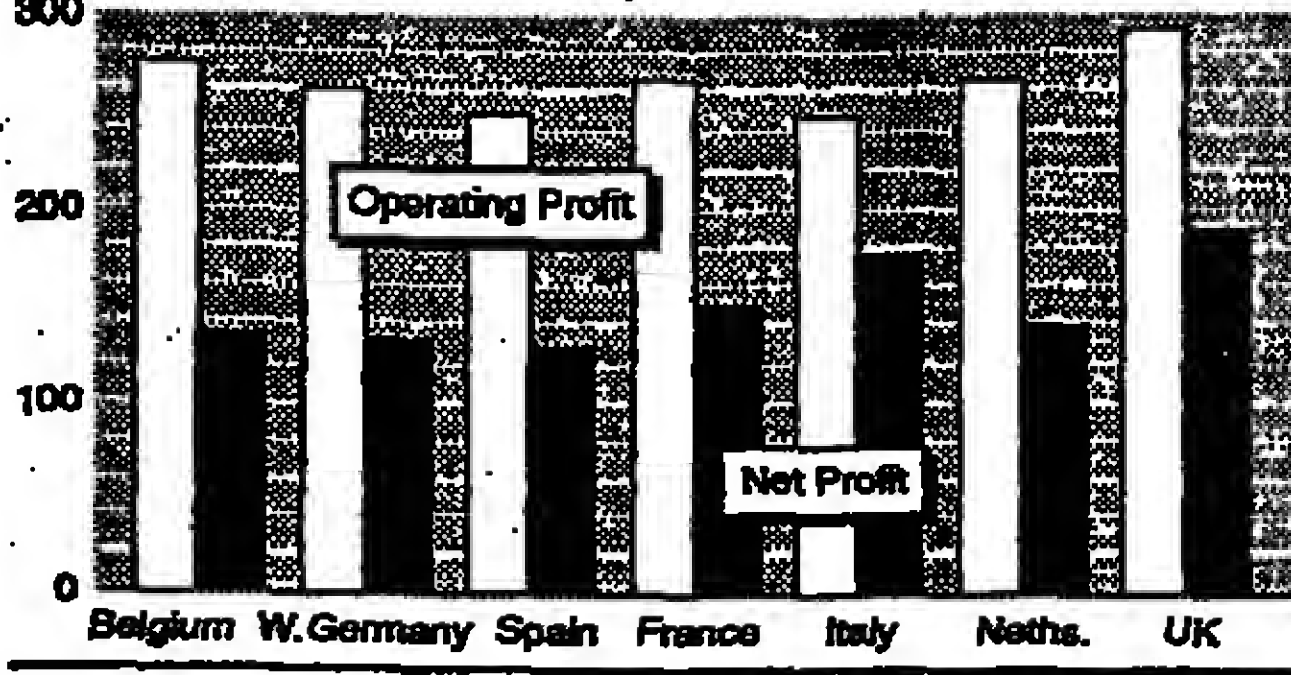
135m. What is particularly interesting about the Touche analysis is that it does not stop here, but goes on to look at the range of possible results that could be reported in each country, given the alternative treatments allowed in many places. This showed, for instance, that there is little room for pushing the UK results higher than the "most likely outcome" (Touche reckon the company could have enhanced its profits by only an extra Ecu 2m). On the other hand, the minimum achievable profit in the UK was Ecu 21m lower, at Ecu 171m.

This contrasts with countries such as Belgium and Spain, where it is possible to lift profits substantially using optional accounting treatments. The highest possible profits in these countries were Ecu 152m and Ecu 192m respectively, very close to the UK ceiling.

On the other hand, there is little opportunity for a West German company to massage its profits upwards. But it can massage them down quite a way - to just Ecu 71m. By concentrating on these "bottom line" results rather than the level of disclosure in each country, the Touche report accentuates the problem to some extent. It is possible to narrow some of the differences by recasting companies' accounts in the light of inter-

European accounting policies

The effect on profits (ECUs million)



national shown in the notes to their financial statements. However, this is only a partial answer and anyway it would be preferable if readers did not have to make these adjustments for themselves. Touche calls on the European Commission to concentrate its efforts on harmonising consolidated accounts, and for options in both EC directives and International Accounting Standards Committee rules to be reduced. It also calls for more research into this area - something this column wholeheartedly endorses.

BDO 'will crest merger wave'

BDO Binder, the biggest non-Big Eight accountancy firm, claims that its strengths were underestimated in this column recently. Hans Heinrich Otte, chairman of BDO's German practice, has written to say that he believes BDO has a strong future ahead of it - even after the defection to Price Waterhouse of its French firm, Befac.

In a reference to the possible wave of mergers among the Big Eight, Herr Otte says: "Given the state of confusion likely to exist in the international profession during the next few years, I believe BDO

Binder could have strong appeal for clients who regard stability and independence as an important factor in the selection of their financial advisers."

He could be right about the confusion ahead. But whether BDO will be the beneficiary of this, or others among the Big Eight (those not also involved in mergers, that is) is a moot point. BDO has not yet established its name as a true alternative to the "brand leaders" in the audit market.

Herr Otte adds of his own German practice (which is the jewel left in BDO's crown): "I should like to assure you that we have absolutely no intention of forming any different international affiliations. There is no question that we have as one of the founders played an important role in BDO and will continue to do so."

All those who have been trying to lure Herr Otte away from BDO, please note.

Head needed for standards body

WANTED: experienced controller with ability to work the odd miracle, to set up and lead new accounting standards body.

FINANCIAL CONTROLLER

Central London To £29,000 + Car

Following a recent reorganisation, the gifts and sweets division of this major retailer has now identified its future business plan of strategic acquisition and organic growth. To complement these plans a Financial Controller is now required. Reporting to the Business Unit Director, initial responsibilities will include the preparation of long term plans and annual budgets for the business and the evaluation of merchandise performance against plan.

Suitable applicants will be qualified accountants preferably with several years experience of financial management. Candidates will need strong communication skills and must have been commercial aware.

Interested applicants should contact Fergus Hooley, quoting Ref: FT 585.

MANAGEMENT ACCOUNTANT/POTENTIAL R.D.

London & Birmingham £25,000 + Car

Successful subsidiary of one of the world's largest companies seeks to appoint an accountant to one of their key management posts. Operating in the fast moving field of merchandising and distribution, the role will initially involve the development of management information systems for individual group companies.

Reporting to the group Finance Director based in London, candidates should also have access to the Midlands. Excellent prospects exist to move into a Finance Directorship in the short to medium term.

A first class benefits package will include fully expensed car, private health insurance, non-contributory pension etc.

Interested applicants should contact Lee Acton, quoting Ref: FT 615.

HUDSON SHRIBMAN
VERNON HSE SLOAN AVE LONDON WC1A 2DH TEL: 01-831 2223
FINANCIAL RECRUITMENT

ACCOUNTANCY APPOINTMENTS

Financial Controller UK

West London

£45,000 + bonus & benefits

Our client, part of a major profitable international group, owns and markets a prestigious range of skincare, cosmetic and fragrance brands. Their UK headquarters houses a production unit, and the distribution, marketing and finance functions. UK sales exceed £40m and vigorous expansion is planned.

The need is for an experienced Financial Controller, able to work as a member of the UK management team, whilst reporting directly to the Vice President, Finance, International Operations. There is full responsibility for the finance function of the UK operation including planning and analysis, production costing, management accounting, cash management and tax. Providing analytical support to the sales and marketing divisions and manufacturing operation will be important.

The Financial Controller will be a qualified accountant with 10 or more years experience of successfully managing a finance function,

preferably in a branded consumer goods environment including manufacturing and distribution. Ability to work autonomously, whilst supporting several key managers is essential.

Good benefits include a fully expensed quality car and a worthwhile, achievable, performance-related bonus.

Please reply to Elaine Draper in strict confidence with details of age, career and salary progression, education and qualifications quoting reference 5267/11 on both envelope and letter.

Deloitte Haskins + Sells
Management Consultancy Division
PO. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Major European Bank

Financial Controller

London Branch

A development role

Our Client is a leading European bank and forms part of one of Europe's largest and most progressive financial organisations. The London Branch, established for a number of years, now seeks to appoint a Financial Controller.

The Branch, which is in a phase of planned expansion, works across the whole area of Banking, including Credits, Syndications, Export and Trade Finance, Treasury, Capital Markets and Private Banking. The person appointed can expect to take over and develop the Finance and Systems area. He/she will report to the General Manager.

The job is thought to be ideal for a Chartered Accountant, aged around thirty, who has gained some four/five years' experience of finance and systems within a major bank and who now wishes, and is able, to head up a small professional team. For the right person further prospects are envisaged within this large international organisation.

An initial salary in the region of £37,500 is envisaged, together with a company car, mortgage and the usual benefits. There is potential for a bonus in the longer-term.

Please write in the first instance to Colin Barry, quoting reference 969, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

PLANNING/AQUISITIONS

£25-30,000 + Car

Our client, one of the UK's leading and fastest expanding multinationals, seeks a young top calibre CA/ACMA to plan for their substantial growth. Part of a small high profile team and liaising closely with board members, responsibilities cover developing the group strategy plan, identify and conduct acquisitions and raising finance. Location: West London. Ref: 08.

CONTROLLERSHIP/F.D.

£25-30,000 + Car + Options

This is a unique opportunity for a young qualified accountant 24-32 to join a publishing company determined to flourish. You will work with the board, with responsibility for all aspects of financial, tax, holding, acquisitions and accounting functions. A superb role for a commercially aware, confident accountant. Location: London. Ref: 08.

ANALYST - BANKING

£25,000 + Banking benefits

One of the UK's leading international banks is seeking a financial analyst. Acting as an interface between the central finance function and the business development team, you will analyse product performance, the business needs and a security qualified accountant, you should possess good communication skills. Location: City. Ref: 09.

BUSINESS STRATEGIST

to £50,000 + Car

With 1992 in sight, increasing emphasis is being given to achieving competitive advantage for clients in preparation for the opening of European Markets. This has created demands for high calibre CA's or MBAs's (28-34), currently involved with a blue-chip multinational or consultancy. Outstanding career opportunity. Location: London. Ref: 10.

INTERNATIONAL M & A

£Neg

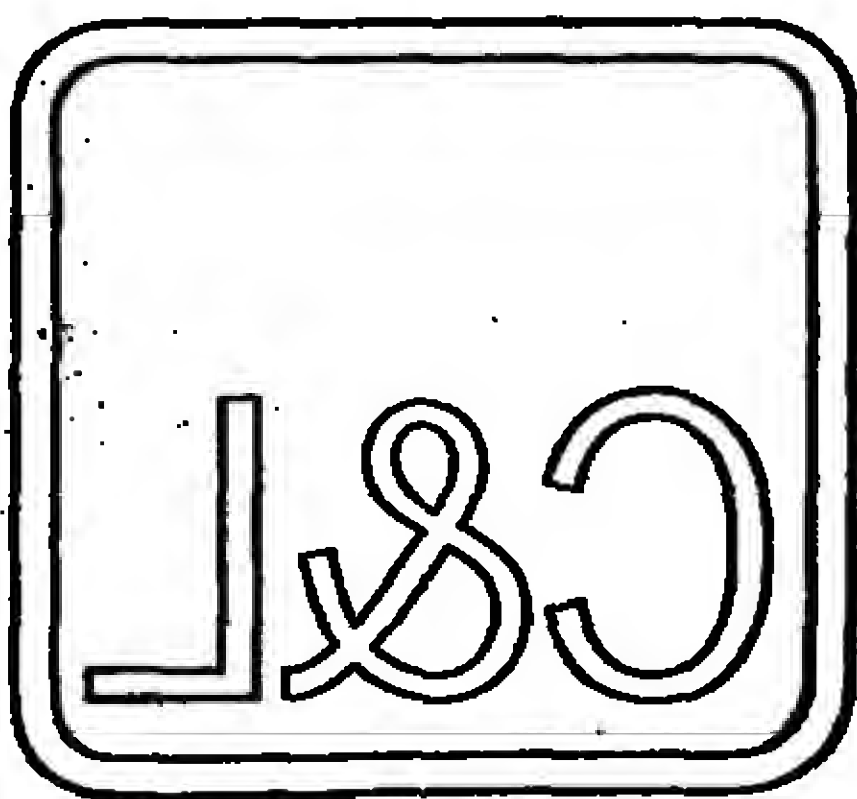
We are acting on behalf of a leading Merchant Bank. They are seeking a further individual to join this fast expanding team within the Corporate Finance department. Within the fast track career development programme, you will be involved in a full range of international cross-border transactions. Suitable candidates will be ACA's of the highest calibre. Location: City. Ref: 10.

For further information please contact John Rowman on 01-222 5416 or evenings on 0274 824870 or write to Financial Selection Services, Drayton House, Gordon Street, Bloomsbury, London WC1H 0AN.

Financial SELECTION SERVICES

There's only one view our competitors get....

Coopers & Lybrand



....from behind

Financial Management Consultancy CONSULTANTS - ALL LEVELS £20K-£60K

This is not a slight any Financial Management Consultant would wish to see, but it will be one familiar to our competitors. As an independent survey published in the 18th May 1989 issue of Management Consultancy (an Accountancy Age publication) stated, Coopers & Lybrand is the market leader in Financial Management Consultancy. Our success as one of the UK's leading firms of Management Consultants and Accountants is based on an outstanding reputation for the highest professional standards applied to a broad range of projects with many national and international blue chip companies.

As a consultant with Coopers & Lybrand, you could work on challenging projects in Management Information, Business Appraisal, Treasury Management, Cost Management or Strategic Management Accounting. With full involvement from initial discussion with the client to final implementation, you'll be able to monitor and assess the results of your work.

Our continuing expansion offers considerable opportunity for widening your experience and developing your career, if you are -

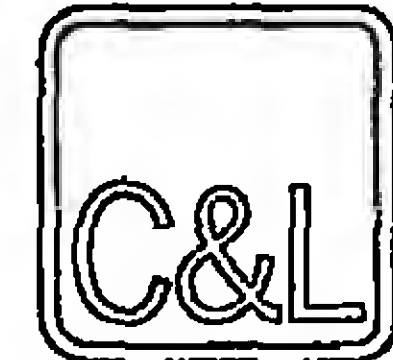
* an experienced consultant, we offer management positions and rewards of £40,000 to £80,000 per annum plus car

* a financial manager in industry, aged between 28 and 35, we offer a starting salary of between £30,000 and £40,000 per annum plus car

* an ambitious part qualified CIMA accountant, you could benefit from our extensive training as well as a salary of up to £22,000.

There is considerable scope for you to work internationally, especially in Europe.

If you wish to enter the leading Financial Management Consultancy firm please write, with full CV, to Victor Luck, Head of Financial Management and Business Appraisal, Coopers & Lybrand Associates Limited, Plumtree Court, London EC4A 4HT quoting reference 10/15.



Coopers & Lybrand

FINANCIAL CONTROLLER

UK General Insurance Division

Cotswolds; c. £40,000 + car + excellent benefits package

The changing face of Eagle Star has involved radical internal re-organisation during the past four years. Throughout the company, part of B.A.T. Industries, there is a growing consciousness of change, and enthusiasm for competitive advantage and growth.

Nowhere is this more evident than in our general insurance business, where in 1988 records were achieved in both premium income and results. Furthermore, over the past five years Eagle Star has outperformed the UK general insurance market both in terms of growth and service capability.

The role of Financial Controller is therefore of key importance in achieving the division's short and long-term business objectives through the enhancement of strong reporting and control systems within an already well established culture of financial discipline.

As deputy to the Divisional Director (Finance) the overall task is to help further improve the performance of the division through innovation and the creative analysis of operating budgets and results. Specifically, this will embrace the preparation of clear, incisive management information reports to the Divisional Board, co-ordinating the financial aspects of the business plan and recommending strategies for profit improvement. Sound project appraisal skills are therefore considered to be essential.

To tackle this role you will need a thorough knowledge of accounting practice and procedures, together with a good understanding of the industry and of its underwriting and claims functions. Probably aged 30-40 you are essentially proactive with an enviable record of successful financial management behind you and professionally qualified. In addition you are a confident personality, mobile, and a highly skilled communicator, able to work effectively and harmoniously with directors and your colleagues as well as with underwriters and sales management.

Salary is negotiable around the £40,000 level, a car is provided, and the excellent benefits package includes preferential rate mortgage, BUPA, PHI, non-contributory pension scheme and relocation assistance to the West Country, if appropriate. In addition, there are very real prospects for advancement for an ambitious, achievement oriented individual.

Please send a detailed cv to John Thompson, (Ref 1362) our Advising Consultant, at Thompson Associates Ltd., Compton House, Selsdon Road, South Croydon, Surrey CR2 6PA. Strict confidentiality will be maintained.



EAGLE STAR

Dynamic Accountants with Potential in treasury, trading and wholesale markets

£25,000 to £34,000 plus significant banking benefits City based

We are looking for ambitious recently qualified or experienced accountants to join us at two managerial levels.

You will be involved in a wide range of audits and investigations for Midland Montagu, whose business activities in London and throughout the world include foreign exchange, money markets, hedging instruments, securities trading, M&A, venture capital, funds management and private banking.

Relevant experience in the audit of these activities is preferred, however excellent product training will be provided for less experienced candidates who can demonstrate potential and aptitude.

At whatever level you join us, you must have audit and investigation experience, strong analytical skills and commercial sense, and be able to communicate well with senior people.

In gaining an in-depth appreciation of Midland Montagu's business, there will also be opportunities to undertake assignments in other parts of Midland Group, or participate in due diligence investigations or short term secondments to projects outside audit.

After spending about two years in Audit we envisage successful candidates will be promoted, possibly within the department, but most likely into line management outside audit to a front line banking role or operations/finance.

These opportunities have been created by recent promotions which are in line with our career development policy that Audit is an ideal point of entry for high calibre accountants into the business. In addition to the salary and comprehensive banking benefits package we are also offering a company car at the more senior level.

If you are looking for a move which offers wide experience and career development, please send or fax your CV in confidence to: Bryan Gaunt, Head of Audit, Midland Group Audit - Midland Montagu, St Magnus House, 3 Lower Thames Street, London EC3R 6HA. Fax: 01-260 4838.



MIDLAND GROUP

BRADFORD

West Yorkshire Superannuation Fund
INVESTMENT MANAGER
(OVERSEAS PORTFOLIO)
Scale POS/6 Salary £18,078-£20,232 p.a.
(pay award due 1 July 1989)

The West Yorkshire Superannuation Fund is one of the largest UK Local Authority Pension Funds having investments with a current total market value of \$1,500 million including an overseas portfolio valued at \$225 million. The Fund is administered by the City of Bradford Metropolitan Council, and its entire investment portfolio is managed in-house by the Investments Section within the Finance and Computer Services Division. The investment performance of the Fund has been consistently high over a sustained period.

This new post has been created to provide the Investment Team with the resources required to effectively manage the overseas portfolio which has increased significantly both in size and diversification over the past few years. In addition to having responsibility primarily for the management of the Fund's overseas portfolio, the postholder will have important wider non-portfolio duties including deputising for the Investment Manager.

Applicants should be qualified accountants or educated to degree level or equivalent, have relevant investment management experience, and possess the drive and innovative skills necessary to make a successful contribution towards maintaining the good investment performance of the Fund.

Ref. F244/FT

Application forms available from the Personnel Unit, Directorate of Finance, 4th Floor, Britannia House (Broadway Entrance), Bradford BD1 1EX. Tel: Bradford 752755.

Closing date for applications is Friday 7 July, 1989. All full-time Officer posts are available for job sharing unless otherwise stated.



Retail Financial Management

Yorkshire Based

to £30,000 + Exec. Car + Benefits

Our client, a household name in high street retailing, with a turnover approaching £400 million, has, following a period of sustained growth, a requirement to strengthen its finance team with the appointment of two enthusiastic career minded professionals who possess the ability to generate and manage change in a dynamic environment.

Retail Chief Accountant

Reporting to the Finance Director, the successful candidate will be a Qualified Accountant who can demonstrate a track record of achievement in the organisation and management of large scale finance functions within a fast moving environment.

Candidates must be able to demonstrate well developed interpersonal skills and display the ability to thrive in a role requiring a flexible "hands-on" approach.

Retail Finance Manager

Working primarily on the development of quality management reporting systems, budgeting, planning and capital project appraisal, significant involvement with the company's retail management on a nationwide scale will be required. Reporting to the Finance Director, an essential element of this role will involve the creation of a management accounting team. With at least 3 years relevant post-qualifying experience, you must be able to demonstrate positive leadership skills combined with initiative and an enquiring mind.

Interested candidates should write enclosing a C.V., quoting ref: L8486, to James J Russell, Executive Division, Michael Page Finance, Leigh House, 28-32 St. Paul's Street, Leeds LS1 2PX. (Tel: (0532) 450212).



Michael Page Finance

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL CONTROLLER

SOUTH COAST C 27,500 + Car

Export Orientated Instrument Manufacturer

A 7m turnover autonomous subsidiary of a fast growing quoted PLC requires a Financial Controller.

Operating from a new purpose built facility on the M27 corridor the candidate would report to the MD and have total responsibility for finance and commercial functions.

A strong background in management accounting against stringent timetables in a light engineering environment is essential. Candidates must be professionally qualified and able to demonstrate ability to develop the existing IBM S/36 and PC network to generate reliable and timely management information.

Compensation package includes the full range of benefits appropriate to a fast growing PLC.

Candidates should forward a CV marked L/6 to:

STEAD Selection,
Cray House,
40 Stoke Road,
Gosport,
Hampshire PO12 1JB

Financial Analyst

Central London

c. £27,000 + car

A major British plc requires a young qualified accountant or MBA to work within its trading division assessing the relative profitability of product groups. There is a need to develop systems and techniques for increasing understanding of direct product profitability throughout the company.

Candidates will have two to three years' post-qualifying or post-graduating experience in financial analysis, probably in fmcc or in manufacturing. Candidates from practice with appropriate experience will also be considered. Personal attributes will include a sociable yet persuasive manner. Age will be under 30.

For fuller details write in confidence to George Wakely at JC&R, 104 Marylebone Lane, London W1M 5FU, demonstrating your relevance clearly and quoting 3068/FT.

John
Courtis
& Partners
Search and Selection

HOOVER UNIVERSAL Company Controller £30,000 Plus Car Plus Bonus Southend-on-Sea, Essex

Hoover Universal, a subsidiary of the U.S. Johnson Controls Group, has carefully built up its business so that it is now the largest manufacturer of Motor Vehicle Seating in the U.K. Turnover currently amounts to about £30M and there are 450 employees. A recent change in strategic direction is now bearing fruit and the Company is capitalising on its investment in J.I.T. Technology and a total quality system.

We are seeking a highly motivated, hands-on individual, for the position of Company Controller. The candidate must have a comprehensive background in a manufacturing environment with experience in manufacturing performance control and analysis, production cost and pricing analysis, and a thorough knowledge of automated manufacturing control and reporting systems.

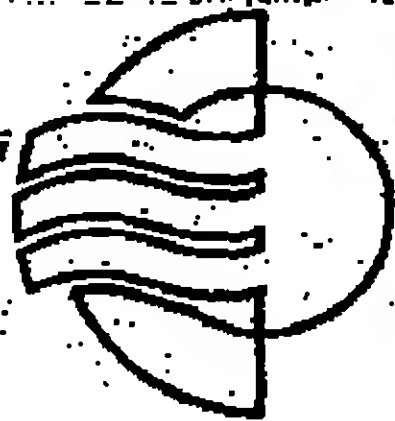
The position will also be responsible for directing the Company's computerised systems, therefore, experience in a progressive MIS environment will help distinguish the successful applicant.

A team player with solid organisation and interpersonal skills is necessary as this job has contacts with U.S. and European numbers of the Company, as well as several Joint Venture Partners.

This is an exciting opportunity to join a forward thinking manufacturing concern in a growing sector. Please reply with a full curriculum vitae to:

Mr. D. Torrance, Company Secretary & Treasurer,
Hoover Universal (U.K.) Limited, 55 Progress Road,
Leigh-on-Sea, Essex SS9 5JJ

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CORNWELL PARKER

GROUP COMPANY SECRETARY

High Wycombe c£30,000 + benefits + car

This long established fabrics and furniture group, which incorporates brand names such as Parker Knoll, GP & J Baker, Monkwell and Nathan Furniture has achieved excellent growth to a turnover in excess of £80m.

The present Group Company Secretary will be retiring in 1990 and the objective of this advertisement is to find his replacement.

You will be responsible to the Chairman and will be involved in many day-to-day business, legal and financial activities, which will entail working closely with directors and other senior management. Responsibilities will include dealing with pension and other personnel benefit schemes, insurance, property purchase/management and the usual corporate matters for the holding company and of subsidiary companies.

Probably aged around 40, you should be a professionally qualified lawyer, chartered accountant or chartered secretary with relevant broad based experience gained in a public company.

To apply, please send CV, indicating current salary to Suzanna Karoly quoting reference F/819/K.

Ernst & Whinney
Executive Recruitment Services
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

SPECIAL PROJECTS

UK RETAIL GROUP

ACA

Aged 26-30

to £35,000 + Car

This major UK retail group continues to develop significant growth potential through organic growth and further acquisitions. The group is committed to maintaining and enhancing its strong international market position. This is reflected in the constant assessment of investment opportunities.

As a result of a promotion, there is an immediate requirement for a key individual to join the Group Finance Team.

Based at their prestigious West End offices, the job will be project-oriented and will include work on group financial planning, appraisal and analysis of

operating company performance, corporate finance projects, and technical accounting and taxation issues.

As an accountant who qualified with a major professional firm, possibly with commercial experience, you will have a mature and confident approach, enabling you to communicate effectively with senior management.

The potential for rapid advancement is essential.

Interested applicants should telephone James Hyde on 01-437 0464, or write to him, enclosing brief details, at the address below.

ROBERT WALTERS ASSOCIATES

RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

ACCOUNTANT

Accountant required to manage and direct a well established fast growing food related importing and distribution business with £2m in sales operating in central London.

Salary negotiable
Profit share & Benefits.

Write Box A1258,
Financial Times, One
Southwark Bridge,
London SE1 9HL.

GROUP FINANCIAL EXECUTIVE

North Midlands To £40,000+Car+Executive Benefits

Our Client is a substantial public company involved in a wide range of industrial sectors in the U.K., E.C., North America and worldwide, with a most impressive long-term track record of profitable growth, gained both organically and through acquisition. Turnover is now nearing £300 million p.a. with profits to match, and the Group is targeting further expansion for the 1990's. To assist in the achievement of these corporate plans, a new post of Group Financial Executive is being created.

Reporting to the Group Financial Director, the new appointee will take an important role in the future direction of the Group, with specific responsibility for ensuring tight financial controls in a decentralised management environment. Other duties will include all Group reporting interim and annual statutory accounting; budgeting and forecasting; taxation and treasury;

management of the finance function. Clearly, it will also be necessary to ensure that adequate computer systems exist throughout the Group to cope with increasing workloads.

The post offers considerable career challenges and the long-term prospects for advancement usually associated with a successful Group of this size. It is thought most likely that the role will suit a Chartered Accountant with drive and first rate technical skills who is interested in working with people to achieve ambitious goals. Following professional practice, the appointee will have taken a senior financial role within a public company and will now be keen to progress further. An excellent salary and benefits package will be offered.

Please apply, in writing, with full career and salary history details, quoting reference B/204/89 to Louisa Chapman.

Are you as confident of your potential as we are of ours?

Within the office supplies, paper and packaging markets, Reedpack is an undisputed leader. A group of nine companies formed recently as the result of the UK's largest ever management buy-out, with major city support, we employ 12,500 people across 83 sites in the UK and the Netherlands; and enjoy an annual turnover of some £900 million. While looking forward to flotation, we are investing heavily, not only in new technology and plant modernisation, but also in new businesses and acquisition. This climate of expansion offers significant scope for professional achievement. Consequently, the following positions present financially experienced individuals with the opportunity to develop their potential within a successful and diverse European environment.

Finance Director

Northampton c£35K + Car

This senior appointment to the Board of the Plastics Division is a key strategic development emphasis. Concerned with overseeing the further growth - possibly involving acquisition - of a division consisting at present of three profit centres on five sites. Reporting to the Divisional Chief Executive, this position demands a proven track record of achievement at senior level within a relevant business environment.

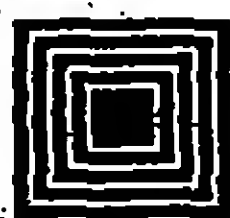
Company Financial Controller

Leicestershire c£27K + Car

Reporting directly to the Managing Director and with responsibility for a staff of 15, the role offers overall control of the accounting and DP functions which provide financial management to three separate factories within the Group's Plastics Division.

As a senior member of the management team, your contribution to formulating and implementing future company policy will be essential. Consequently, you should preferably combine a professional accountancy qualification with a degree and at least three years' relevant experience.

In addition to the salary levels quoted, each position carries a comprehensive range of benefits. Initially, please write enclosing full CV, and indicating position applied for, to Linda Helms, Head of Management Development, Reedpack Limited, Cloisters House, High Street, Rickmansworth, Herts WD3 1B6.



REEDPACK LIMITED

Corporate Finance Manager

Aylesford c£30K + Car

The Corporate Finance Department of 9 people has day-to-day responsibility for the financial management of the Group, including consolidation, the preparation of reports for the Board, central accounting, statutory accounts and other returns. This is a key Head Office position which co-ordinates the flow of financial information throughout the Group.

Reporting to the Group Financial Controller, the role requires an experienced accountant with technical and managerial skills gained within the profession or a substantial business.

Business Analyst

Rickmansworth c£28K + Car

You will be part of the Head Office team involved in monitoring the commercial progress of the Group; preparing and reviewing corporate business plans, analysing project proposals and other initiatives and presenting analyses and reports.

Reporting to the Finance Director, this is an unstructured role which would ideally suit an MBA or chartered accountant, aged late 20's - early 30's, wanting experience in a challenging commercial environment and having the ambition to develop into general management.

KPMG Peat Marwick McLintock

Executive Selection

Peat Marwick McLintock, 11 Street, Birmingham B3 2DL

FINANCIAL DIRECTOR

Central London

Leisure

c.£40K + bonus + car

Our client is a fast-growing Plc with major interests in the leisure and property markets and has an outstanding profit record. A recently acquired Division in the leisure sector now requires the appointment of a well qualified and experienced Financial Director. This company will continue to pursue an active acquisition programme, building on a base of top quality assets.

Reporting to the Group Chief Executive, the role will encompass full responsibility for all accounting and finance matters within a subsidiary of a Plc. Key areas will be the introduction of sophisticated financial controls and the organisation and motivation of a staff of 8.

Ideal candidates will be aged 30-40, qualified accountants with at least 5 years commercial experience, gained in a service sector. Acquisition experience will be beneficial, whilst practical knowledge of up-to-date accounting techniques and man-management experience are essential.

The excellent remuneration package includes executive car and extensive range of company benefits. The company's Head Office is located in an attractive area of the West End.

Please write or telephone, in confidence, quoting reference 1596, to Andrew Davies, Bull Thompson & Associates Ltd, 63 St. Martin's Lane, London WC2N 4JX (01-240 3561), the recruitment consultant advising on this appointment.



LONDON · BIRMINGHAM · LEEDS · MANCHESTER

HEAD OF AUDIT

Major Financial Services Group

to £45,000 + subsidised mortgage + car

A subsidiary of one of the world's premier banking groups, our client is one of the City of London's leading financial institutions. Providing a full range of investment banking services, the company is highly regarded and is committed to further development.

In a new role, the successful applicant will establish the audit function and its strategy and plan, guide and review the work of a small team. In a position which requires continual exposure to senior management, he or she will be responsible for ensuring the maintenance of operational control across the company's business groups, with particular emphasis upon securities. The workload will be varied and will involve a range of analytical projects including risk management strategy and new product review.

In their early 30s, applicants should be graduate Chartered Accountants with management experience gained in either a leading professional firm or commerce. Experience of the securities industry would clearly be advantageous.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/838/F.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

Financial Controller

with Board potential

Relocating to Northern Home Counties in 1990
up to £35,000

Our client is an established national supplier of commercial products and is part of an international plc.

Reporting to the Managing Director, this is essentially a "hands on" financial role, calling for the ability to manage strict financial controls relating to a high volume of trading transactions.

Development of computerised systems for cash and credit management, stock controls and order processing will be an important part of the job.

Currently based in the West Midlands, there is a commitment to decentralising the accounting function. The successful candidate will be responsible for project managing this move, relocating and/or

recruiting a smaller centralised finance team and for devolving part of the processing function to nine individual depots.

The ideal candidate will be a qualified accountant with plc experience involving a multi-site, fast moving industry. Good team management skills and the ability to contribute to the general business strategy as a member of the management team are essential. The role is an ideal stepping stone for someone with their future sights set at FD level or beyond.

For further details please write with CV or telephone Jennie Hale, MSL International, Broad Quay House, Bristol, BS1 4DJ. Telephone (0272) 276617.

MSL International

CAREER FINANCE OPPORTUNITIES

— with a new national organisation

Subject to enactment of the Water Bill currently before Parliament, a National Rivers Authority will be established in Autumn 1989. It will be responsible for the overall management of rivers, water resources, coastal water and associated regulatory aspects in England and Wales. With a small central policy unit in London, the vast majority of its employees will be based in the Regional Operational units.

The Authority's capital and revenue expenditure of circa £100m and £200m pa respectively will demand highly professional and efficient management of its financial resources in meeting the objectives of improvement and development of the environment.

Exciting and challenging career opportunities now exist to assist the Director of Finance in the formulation and implementation of finance policies and associated financial controls.

Principal Financial Accountant

to £25,000

London

Reporting to the Chief Financial Manager you will be responsible for ensuring sound financial systems and procedures are developed, implemented and monitored throughout the Authority, including the preparation of financial accounts.

Send your CV and we shall send an information pack. Alternatively telephone for a pack and an application form from David Burke, Austin Knight Selection, Kings House, Bond Street, Bristol BS1 3AE. Telephone (0272) 221891 (daytime), (0272) 686185 (evenings/weekends). Closing date for application 30th June, 1989.

NATIONAL RIVERS AUTHORITY

Treasurer

to £22,000

London

Reporting to the Principal Financial Accountant you will be responsible for the full range of treasury duties including expenditure control, cash flow budgets, consolidation and forecasts, and grant arrangements.

Auditor

to £22,000

London/Peterborough

Reporting to the Audit Manager your duties will extend over the complete range of audit activities in respect of both value for money and probity.

Candidates should be either fully/part qualified or have a relevant technician's qualification. Experience of public sector finance systems and procedures will be an advantage.

Conditions of service will generally be those appropriate to a non-departmental public body, including the option of membership of the Local Government Superannuation Scheme. Assistance will be given with relocation where appropriate. A lease car may be available subject to justification of need and a contribution to domestic usage.

Finance Director

Hertfordshire

To £40,000 + Car + Share Options

This major subsidiary (to £30m) of an acquisitive medium sized UK plc is involved in the communications sector and has achieved rapid growth since its inception in 1987.

The role has responsibility for the finance function and candidates should bring a commercial approach to achieving further growth of the business coupled with a shirt sleeve style. Key areas will involve developing existing computer systems and ensuring tight financial controls.

Candidates should be qualified accountants, age indicator 30-36, with proven man management skills, commercial experience and strong personality preferably gained in an environment of high volume transactions.

The future prospects within this dynamic organisation are not purely confined to the financial area. The attractive package includes future share options and relocation assistance if applicable.

Please telephone or write enclosing full curriculum vitae quoting ref: 328 to:
Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 01-839 4572

**Cartwright
Hopkins**

FINANCIAL SELECTION AND SEARCH

THE UK MARKET LEADER

Exceptional prospects to be precise. In fact, if you're looking to progress your career with a fast-growing, fast-thinking organisation which is committed to your growth as part of its own, then Booker must be your first choice.

With 180 depots nationwide and a quarter of a million retail and catering customers, we're Britain's largest cash and carry group. Thanks to astute commercial expertise, our turnover - over £1.6 billion - is set to increase dramatically. We're on a major growth curve. And the new Commercial Accounting department needs high calibre Accountants who are keen to grow professionally in an environment where their impact will really be felt.

MANAGEMENT ACCOUNTANT

£25k + BONUS + CAR
If you want to escape the "number crunching" routine, this could be your route. You'll provide an effective commercial based management accounting service to the Board. Preparing regular forecasts, annual budgets and three year plans for the Company will demand strong people-management skills and a high level of computer literacy. An accomplished

communicator, you'll need at least 2 years' post qualification experience in management accounting within a progressive environment.

PROJECT ACCOUNTANT

£20k + BONUS + CAR
To further our current expansion, we are committed to diverse and significant capital investment. Part of your role will be to plan, review and evaluate capital expenditure and to monitor and report project performance. Recently qualified and computer literate, you'll need to be familiar with tax legislation relating to capital expenditure, including lease financing and the implications of DCF returns.

Both positions report to the Commercial Accounting Controller and are based in Wellingborough, Northants. If you'd like to take up our offer of substantial responsibility and career development, please send a comprehensive CV, including current salary details, to Gordon Crowe, Personnel Director, Booker Cash and Carry, Equity House, Wellingborough Road, Wellingborough, Northants NN8 1NZ.

A £1.6 BILLION TURNOVER

OUTSTANDING GROWTH

Just what kind of prospects can a company like this offer?

BOOKER
CASH & CARRY
A BOOKER COMPANY

ACQUISITIONS MANAGER

Consumer Goods

Cambs/Lincs base

This household name public group has a record of growth and accelerating profitability and commands the respect of the city and its customers. Its strengths are an innovative, professional management team and strategically advantageous positions in growing markets. Building on its acquisitions successes, the group aims to strengthen the business development team and intensify its programme of deals.

Reporting to the Finance Director, you will be supported by two dedicated professionals and lead the acquisitions programme in the USA and Europe. The team is involved throughout the acquisitions process; identifying and financially evaluating target companies, negotiating deals and playing a full part in their integration into the group.

Package to £40,000 + car

The successful candidate will be a financial MBA or qualified accountant, in his or her early/mid thirties. A track record of progression in sophisticated organisations, combined with involvement in acquisitions, as advisor or principal, is prerequisite. The group offers excellent career development opportunities to committed professionals with commercial flair.

Please reply in confidence, giving concise career, personal and salary details to Heather Male, quoting Ref. LA26.

Egor Executive Selection
58 St. James's Street
London SW1A 1LD (01-629 8070)

EGOR
EXECUTIVE
SELECTION

United Kingdom • Belgium • Denmark • France • Germany • Italy • Netherlands • Portugal • Spain

Financial Controller

An important opportunity in marketing services

WEST LONDON

£35,000 package + car

Over the last 10 years our client has evolved and grown to become a leading independent marketing communications group with a turnover approaching £9m.

The group is highly geared to offer a range of marketing specialisms and following their recent move to prestigious new premises, they are now confidently poised to maximise and expand their high profile client base.

Strong financial management will however be critical to the realisation of their ambitious plans. They therefore wish to appoint an able Financial Controller to be responsible to the Managing Director for all financial and administrative aspects of the business.

You will be a Qualified Accountant, aged 30-45, with broad based accounting and cash management experience in a computerised systems environment. You will be a good manager, able to produce results reliably and on time and be keen to contribute to the success of the business.

The attractive remuneration package includes bonus, car and non-contributory pension and there are excellent prospects for career advancement.

Please send your curriculum vitae, including current salary and daytime telephone number, quoting reference A2033, to W.S. Gilliland, Grant Thornton Management Consultants Limited, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

Grant Thornton
Management Consultants

FINANCIAL DIRECTOR

West Midlands Up to £32,500 + Car + Bonus

Our Client is a leading manufacturer of industrial fasteners, supplying a wide cross section of industry, with an established reputation for fine product quality. The company is well placed for future business development within the United Kingdom and in Europe, with the benefit of a range of high speed, sophisticated production techniques, and world-wide manufacturing rights for a "world beating" product. To complement their forward-looking, highly motivated management team, the Board now seeks to appoint a Financial Director.

Your brief will be to co-ordinate, plan and direct the financial management of the company, to maximise its contributions to business development, operational control and profit performance. You will ensure that the financial and management information is generated to a state of sophistication appropriate for future business strategy and business policy.

We would like to hear from mature, qualified Accountants with a track record of achievement in a fast moving, commercially orientated manufacturing environment, who are now ready for a decisive career move with a progressive company.

The role presents an opportunity to make a significant personal contribution to the company's growth, necessitating an ability to get beneath the 'skin' of the business and give advice to the Board based on the exact needs of the company.

For a position of this nature, the company offers a salary package designed to grow in line with the on-going development of the business.

Written applications, quoting reference B/198/89, highlighting career history and salary details, should be directed to Steven French.

KPMG Peat Marwick McLintock

Executive Selection

Peat House, 2 Cornwall Street, Birmingham B3 2DL

FINANCIAL CONTROLLER

Leisure Industry

£40,000 + bonus + car + options

Recently established as the leisure subsidiary of a successful and substantial property group, our client is predicting an exciting future. Developing and managing a number of operations across its sector, the company will grow rapidly.

Part of the small London based headquarters team, the Controller will be responsible for the establishment, development and control of the full financial and administrative function, including planning and systems implementation. As the senior financial executive, he or she will participate in corporate strategy and contribute to its achievement and must have the potential to grow with the company which will aim for flotation.

Likely to be in their early 30s, applicants must be graduate Chartered Accountants with broad commercial experience. Strong technical and interpersonal skills and the ability to retain sight of objectives whilst working in a dynamic environment are essential.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/832/F.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

Outstanding opportunity for young accountant European Financial Controller

C. London

£40,000 + Car

Our Client, a quoted international design consultancy with over 500 employees, provides a wide range of services to corporate clients through its network of offices in Europe and North America. The Group is ideally placed to significantly increase its sphere of operations, particularly in Europe as 1992 approaches. Reporting to the Group Finance Director, the focus of this key role is to drive up performance across the business by establishing an effective financial planning framework, exerting financial control and supporting the development of business opportunities. It requires the energy and drive to build strong relationships with Divisional management and is broadly commercial in outlook; it will appeal to those whose long term ambitions are towards general management.

Candidates should be graduate accountants; probably aged late 20s/early 30s with previous experience of people/service

businesses. Whilst accounting and analysis skills are obviously important, the emphasis is towards a strong business orientation, together with good communication and management skills. Additional European languages would be attractive.

Interested applicants should write enclosing a comprehensive CV and daytime telephone number quoting Ref: 337, to Barry Oliver, Whitehead Rice Ltd, 43 Welbeck Street, London W1M 7PG. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

Group Finance Director (Designate)

Essex

£33-38,000 + Car

Our client is a profitable £10 million turnover group of companies providing a range of industrial services. Recent growth has been considerable and accelerating with an excellent opportunity to double in size in the next two to three years.

As a result of this growth, the company has identified the need to appoint a Group Finance Director (Designate) as a key member of its tripartite top management team.

As well as taking responsibility for all financial, administrative and company secretarial affairs, we are seeking a wide-thinking, commercially orientated individual who wants to make a significant contribution to maximising the group's ongoing growth and profit opportunities. In doing so it will be equally important to keep a finger on the pulse of the day-to-day business, requiring a "hands-on, shirtsleeves" approach.

The group's management style is very open, informal, relaxed and friendly, with a strong team spirit and a high level of genuine commitment. It is particularly important that the successful candidate can fit easily into this environment.

You will be a qualified accountant, aged 34-40, with experience of either small subsidiaries or independent companies, where finance has had a significant role to play in their success or survival. A high level of communication skills will be required, together with maturity, tact and the presence to present the group to all external parties.

This is a classical "the world can be your oyster" for the right individual and presents an excellent opportunity. If this appeals to you, please submit your cv to: Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berks SL4 6BW.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Corporate Accountant

Mayfair, W1 c.£27,000 + Bonus + Benefits + Car

Our client is one of the UK's leading engineering and contracting Groups operating through subsidiaries worldwide. Progressive management have produced a strong growth record, such that turnover is now around £3 billion per annum.

A finance professional is now sought, to take line responsibility for the Head Office accounting function, including treasury accounting, the co-ordination of budgeting and reporting requirements, computer systems development and the management of a small team.

This is a visible role, requiring positive communication skills. The appointee will be a graduate Chartered Accountant, aged 25-30, working within either practice or industry and who wishes to develop a career in an international group.

To find out more about this opportunity please telephone, in confidence, Gerard Davies on 01-831 2000 or write to him at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

CORPORATE FINANCE

with one of the UK's fastest growing companies

To £30,000 + Car + Benefits

Berkshire

A commitment to investment in their existing companies and in strategic acquisitions has seen exceptional growth in our client's sales and profits in recent years. A world leader in several high technology fields, the company's sales turnover exceeds £500m pa and will continue to grow rapidly.

Reporting to a Director and working as part of a professional and highly motivated team, you will be involved in a variety of corporate finance projects. This will include acquisition research, strategy modelling, investment proposals, and financing alternatives.

The senior level exposure of this fascinating position is invaluable and the business experience you acquire will be excellent.

The role will suit a graduate qualified accountant with at least two years' post qualifying experience. Previous exposure to corporate finance is not a prerequisite but you must have first class experience in industry, commerce, or public practice. Age will not necessarily be a limiting factor. Of more importance will be your technical financial skills, commercial awareness and computer literacy combined with an ability to interact at all levels both inside and outside the company.

To find out more please write to Sue Rossiter, enclosing your career and salary details. Alternatively, please telephone her on (0628) 75956 (24 hours) for an informal discussion.

MKA EXECUTIVE SEARCH AND SELECTION LIMITED
MKA House, Park Street
Maidenhead, Berks, SL6 1EF
Telephone: (0628) 75956 Fax: (0628) 770065



Maidenhead, London, Worcester

FINANCIAL ACCOUNTANT

Major Financial Services Group

to £35,000 + car + mortgage

Our client is one of the world's most powerful financial groups. After a major reorganisation it has created a new company based in Central London to provide highly efficient and cost effective financial and business support services to the group's substantial and diverse operations.

Run as a commercial enterprise, the company is establishing a strong financial control team. Hence this new position with responsibility for developing and implementing new accounting systems and controls. The Financial Accountant will manage a small team producing and controlling accounts and play a key role in reporting on financial results to meet tight company and group deadlines.

Applicants should be qualified accountants with at least four years' commercial experience and the initiative and ability to provide creative input to a developing function. Future prospects within this company and the group are excellent.

Please write with full career details to David Tod BSc FCA
quoting reference D/839/JF

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-477 499

LLOYD MANAGEMENT

Management Accountant

Consultancy Opportunity

Midland Based

Our Client is a fast growing consultancy organisation providing solutions to real needs within the engineering and manufacturing sectors of industry.

An integral part of their consultancy services is the expertise provided across a broad range of engineering, manufacturing and allied functions, to this end they are now seeking to recruit a Management Accountancy Professional to provide support in this key area.

You will most probably be under 45 educated to degree level with a professional accountancy qualification combined with demonstrable experience in an engineering based environment. Knowledge of modern accounting practices, including the introduction of integrated finance systems which successfully interface with manufacturing practices such as JIT is desirable.

The work will be both varied and stimulating and will involve an amount of travel and work at client's premises.

You will assist them in managing change from financial planning to organisational structure reviews and systems development.

It is important that you possess excellent communication and interpersonal skills, as you will be actively involved in awareness training and team development of client staff. If you are seeking a genuinely influential position, and enjoy a challenging work environment then we would very much like to hear from you.

In the first instance you should send in confidence, full career/salary history to date, quoting reference number 78/10 to:

Roger Bicknell,
Simpson Crowden Consultants Limited,
Specialists in Executive Search and Selection,
Warwick House, 14 St Paul's Square,
Birmingham B3 1RB. Tel: 021-200 1888.

Simpson Crowden
CONSULTANTS

£24K + Car

Financial Controller

Teesside

£24,000 + Car

Our client is an autonomous, profitable, £10+ million turnover subsidiary of a US corporation, with an impressive record of growth in recent years. The company is a market leader in its field and substantial investment in new technology has created an organisation not only capable of exploiting traditional markets, but also those presented by new product developments.

They currently seek to recruit a Financial Controller who, reporting to the Managing Director, will assume full responsibility for the finance and associated functions. As a senior member of the management team, the successful applicant will be expected to contribute to the company's future success by exercising strict financial and treasury controls, as well as providing creative commercial input.

Particular emphasis will be placed on the further development of the company's computerised management information systems.

Candidates will be qualified accountants, aged 35+, with a strong technical background gained in a sophisticated processing environment. Excellent interpersonal skills and commercial flair are prerequisites for the role in order to make a significant contribution in this dynamic and demanding environment. Relocation facilities are available where appropriate.

Interested applicants should write to Mark Hazley, BSc, ACMA, Michael Page Finance, 25 Collingwood Street, Newcastle-upon-Tyne NE1 1TE (Tel: 091-222 0545), quoting Ref: NE018.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

High Growth Subsidiary of a Major PLC FINANCIAL CONTROLLER

Middx (M3/M4 Corridor)

Our client, a subsidiary of a major multinational PLC, has established itself as the leading player in the technology led areas of its operations. This has been achieved through commitment to high standards of productivity and excellence in quality of service. The company's growth path and planned long term expansion has created exciting and demanding opportunities in all management disciplines.

Due to restructuring of the senior management team, the company requires a Financial Controller who can meet the challenge of a very dynamic and developing business environment.

Areas of responsibility will include:
• Developing strong financial and internal controls throughout all functions and procedures of the business
• Preparation of budgets, forecasts, business plans, development plans and project appraisals
• Monitoring performance, profitability and cost efficiencies
• Liaising with senior managers across the business in ensuring effective budgetary control

c. £30,000 + Car + Bonus

• Developing computer systems and procedures within the accounting functions

Significant improvements are required in most facets of existing financial management; consequently, the challenges of this role will be considerable requiring a qualified accountant aged 28-35 with:
• strong managerial ability and a self confident, mature approach
• team management skills
• strong interpersonal and communication skills
• a high degree of commitment and dedication

Opportunities for progress within the group are excellent for ambitious individuals.

If you wish to discuss this opportunity further, please contact Shirley Knight BA MBA ACMA on 01-491 3431 (01-281 1245 evenings and weekends) or write to FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and note of current salary.

FMS

Search and Selection Specialists
for
Financial Management

IN THE NORTH EAST

GROUP FINANCIAL CONTROLLER

North East to £30,000 + Car + Benefits

Our client is a multinational world leader in the design and manufacture of precision engineered products for the automotive and other industries. Despite already achieving a significant market share and a reputation for innovation and quality, they have a massive commitment to the research and development of new products. This long term strategy will enable them to seize market opportunities into the 1990's.

A corporate restructuring and succession planning has resulted in the need to recruit for a challenging new opportunity supporting the Group Financial Director.

The position involves amongst other things the critical evaluation of existing business activities in the U.K., Continental Europe, Africa and the Middle East and requires the ability to consider the non-financial disciplines of production and marketing in the assessment of profitability and performance. We anticipate candidates will be qualified graduate

Accountants aged 30-40 (ideally with an MBA). You must possess strong intellectual, commercial and communication skills and be able to demonstrate measurable achievement preferably in a multinational manufacturing environment.

In return you will enjoy a diverse and challenging role with considerable scope for personal and professional development and an attractive remuneration package including a relocation allowance where appropriate. Candidates with the relevant background and experience should apply without delay.

Nigel Wright Consultancy
Saville Chambers, North Street
(off Saville Row), Newcastle upon Tyne
NE1 6DP. Telephone 091 222 0770
including evenings and weekends.

Specialists in Financial Recruitment

TRUST PARTNER DESIGNATE
£40,000
Central London

Our client, a medium sized firm of Chartered Accountants seeks an experienced individual that is currently supervising a Trust Dept, in a firm of Chartered Accountants or Solicitors.

Please contact David Paton,
Executive Search Division,
Hynes Associates Ltd,
77/79 Wells Street,
London, W1.
Tel: 01-580-552.

FINANCIAL CONTROLLER

Small bank, situated in the West End, requires computer literate, qualified accountant (ACA preferred) with previous banking experience. Will consider candidates from the profession with relevant experience. Position unlikely to suit candidates with less than two years post qualifying experience. Some previous experience of the following would be useful: running a small computer system; Lotus 123; systems development and implementation of controls; management and statutory reporting; Bank of England reporting. Salary negotiable from £25,000 plus benefits, including company car.

Please write to Box A1259, Financial Times,
One Southwark Bridge, London SE1 9HL

Powerful expanding multi-national

Group Financial Controller

Westminster

c.£45,000
+ quality car

Our client, one of Britain's most successful development and investment plc's, is 70 years established and extremely well funded. Substantial international expansion is now taking place. The climate is one of dynamism and enthusiasm.

Reporting to the Financial Director, the Group Controller will work closely with the Chief Executive and other Directors whilst taking complete day-to-day responsibility for all financial accounting and treasury matters, and for the supervision of a small accounting team. The range of work is varied and interesting.

An energetic qualified Accountant, probably in early thirties, you will have worthwhile experience of managing an accounts function.

Presence, maturity and total commitment are pre-requisites. Policy is to recognise and reward success. There are real opportunities for enhanced status and salary.

Please reply to Alison Hawley with details of age, career and salary progression, education and qualifications, quoting 5271/FT on both envelope and letter.

**Deloitte
Haskins + Sells**

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Finance Director

YORKSHIRE, TO £35,000 + CAR

A prominent retail group requires a Finance Director for its multi-branch stores division. Sales are in excess of £30 million with good prospects for development.

Reporting to the Managing Director you will play a key role in the commercial stewardship and development of the business. You will have a broad span of control over the finance & accounting, information technology and audit functions with some 50 staff. With a keen eye on bottom line performance, the emphasis of the

role must be on establishing rigorous systems and procedures to produce good quality management information for the management team to control and run the operations both efficiently and effectively.

You will be a qualified accountant with at least 5 years' in a senior line financial role. Ideally you should have experience in the retail sector or other multi-branch businesses. Most importantly though, your personal attributes must include a well attuned commercial

awareness in addition to the drive and clear sighted ability to manage change. Résumés please, including a daytime telephone number, to Chris Haworth, ref CH1575, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V 7DQ.

Executive Resourcing
Coopers & Lybrand

Financial Controller

Retail and Leisure

Middlesex

To £33,000 + Quality Car

Our client is an autonomous business unit of a major British plc whose turnover currently stands in excess of £6 billion. The division is responsible for introducing and developing new retail brands into the UK market place and as such is spearheading a whole new growth area for the group.

In order to strengthen the finance function to support this planned growth, an exceptional opportunity has been created for a high calibre qualified accountant to take up the position of Financial Controller in the head office finance team.

Reporting to the Financial Director, you will be responsible for providing new management information systems and total financial control to support this rapidly expanding

business. Acting as deputy to the Financial Director, you will work closely with all functions in providing commercial advice across all areas of business together with detailed involvement in acquisitions and third party negotiations.

The ideal candidate will be aged 28-33 and a graduate possibly direct from Public Practice, with a recognised accounting qualification. Personal attributes will include self-confidence, initiative, a high degree of self-motivation and the ability to grasp relevant business issues quickly.

Interested candidates should send a comprehensive cv to Paul Boardman ACMA at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berks SL4 6BW.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL CONTROLLER

Northampton

£28k package plus car

Our client is an expanding engineering company supplying precision products, primarily to the office furniture and computer manufacturing industries, both in the UK and overseas. Turnover has more than doubled in the last three years and is now in excess of £13 million.

In the light of recent growth and with a view to future expansion, a professionally qualified accountant is now required to work with the Finance Director in the strategic development of the finance function. In addition to specific responsibility for financial accounting, a critical role will be as part of the management team in developing future business plans.

Candidates should be qualified accountants

with at least three years post qualification experience in industry, preferably in a manufacturing environment. Experience of developing computerised financial systems is desirable. A flexible approach and effective communication skills are necessary to meet the challenge of this key position within an expanding company.

In addition to the salary package, benefits include free BUPA and a fully expensed company car. In the future there is potential for significant earnings growth through a performance related bonus scheme.

Please write in confidence with full career details, quoting reference MK3001 to Peter Coles.

KPMG

Peat Marwick McLintock

Executive Selection and Search

Norfolk House, 499 Silbury Boulevard, Central Milton Keynes MK9 2HA.

Group Finance Director

Residential and Commercial
Property Development
NORTH WEST LONDON
c. £40,000 + Bonus + Car

Our client is a well established and successful residential and commercial property developer.

With a current turnover in excess of £20 million the company requires a Group Finance Director.

This high-profile position is for a graduate and qualified professional, who thrives on pressure and has an outgoing personality and the ability to generate confidence.

Working in close liaison with the business partners and as a key member of the senior management team, the successful candidate will have prime responsibility for all financial affairs of the Group including: development and presentation of financing proposals, joint venture agreements, financial strategy, accurate and up to date accounting records, management and statutory reporting, systems and procedures, and be instrumental in securing appropriate financing for the growth and expansion of the Company. Computer literacy and a high energy level are important to contribute in this demanding environment.

Ideal age - mid thirties. The remuneration will include a performance related bonus and an executive car. The company has a non-smoking policy.

If you believe you have the interest and the qualifications to meet this exciting appointment please send your CV and a covering letter (including daytime telephone number) quoting ref FT118, to: J. David Preston.

ROBSON RHODES

Chartered Accountants

Management Consultancy Division,
136 City Road, London, EC1V 2NU.

Financial Controller

Service Sector/Multi-site

Growth Company

Rem. up to £30,000

The company is the major subsidiary of a large and profitable British group. Highly successful with a turnover approaching £80m, the company operates through a national network of depots offering a fast and efficient supply service to a broad range of industries. The person appointed will report to the Finance Director and be responsible for financial and management accounting. There will be opportunities for increasing the scope of the job as the company and the group continue to grow.

Candidates, aged around 35, must be qualified accountants with good track records including 2/3 years in a service, multi-site environment. They must be well used to staff control and have

already have been responsible for both financial and management accounting functions in companies with modern computerised systems. The nature of the job demands a personality able to get alongside and work with regional staff. Some travel is involved throughout the UK but this will not be extensive.

The head office is based in Cheshire with easy access to both town and country: relocation expenses will be met if necessary. Initial salary will be in the range £25,000-£27,500 and a bonus can add up to another 15%. A fully expensed company car is provided.

Please send full career details - in confidence - to A. D. Percival.

Ravenscroft & Partners

Search and Selection
20 Albert Square, Manchester M2 5PE

FINANCIAL CONTROLLER

West London £30-35,000

This is a unique opportunity to join a successful and rapidly growing organisation trading in world markets. The company is in the early stages of its inception and is in need of a financial controller to support and assist in the control of its complex operations.

As well as managing the day-to-day accounting functions, the financial controller will be heavily involved in the banking operations of a multi-currency environment where the emphasis is on cashflow planning. An important initial project will be to recommend and implement appropriate computerised systems to ensure the smooth running of the company's operations. Planning, forecasts and analyses will form a major part of the controller's responsibilities.

Candidates will be qualified accountants aged in the area of 35 years and will have considerable experience in a trading environment. A sound business background combined with an in-depth knowledge of banking and currency exchange is essential. The ability to work in a fast moving, informal team oriented environment is a must.

Please send brief personal and career details, quoting reference F/419/F to Frances A. Bell.

Ernst & Whinney

Executive Recruitment Services
Becket House, 1 Lambeth Palace Road, London SE1 7EU

Cadre financier

La Division Ingénierie Entreprises Générales et Canalisations intervient principalement dans :

- la conception et la réalisation d'usines chimiques, agro-alimentaires et installations pétrolières,
- la réalisation de pipe-lines, canalisations et d'ouvrages connexes.

Au sein de notre Direction Administrative et Financière, vous prendrez en charge l'étude et les négociations de financements liés à des contrats internationaux.

Une expérience bancaire de 2 à 3 ans, de préférence à la cité de Londres, serait appréciée.

Le poste pourra vous conduire ultérieurement à des responsabilités élargies en fonction de l'expérience acquise.

Merci d'adresser votre candidature sous réf. NRV 005 à Mr VAILLEAU, SPIE BATIGNOLLES, Pôle Newton, Parc St-Christophe, 95864 CERGY PONTOISE Cedex.

Spie Batignolles

UN ESPRIT D'ENTREPRISES

ASSISTANT GENERAL MANAGER - RESOURCES

Package c.£30,000 + Executive Benefits

Our client is an independent Assurance Society, with a Head Office located in the Midlands. Operating within a niche market, the Society has increased new business considerably in recent years, and now wishes to recruit an additional member to strengthen the Executive Team.

Reporting to the Chief Executive, the successful applicant will take responsibility to ensure the necessary systems and procedures are in place to make efficient use of the Society's financial and human resources.

The ideal candidate for this newly created and challenging role must therefore be more than just a qualified accountant with D.P. experience, but also have a successful track record at management level.

The initial salary will be in the region of £30,000, plus the usual executive benefits.

If you feel you have the background and stature to perform this innovative role, then please write with brief career details to:

Arthur Young
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Mr. J. A. Cox,
Arthur Young, St Nicholas House,
Market Hill, 15-17 George Street,
Luton. LU1 5DJ

clearly marking envelope ref. JA44

Business Analyst

London W.1.

c £35,000 plus car

A major plc with substantial interests in the Western World now seeks an exceptional business professional to join the head office corporate management team.

The successful candidate will help to develop corporate strategy, identify acquisition opportunities, assist in negotiations as necessary and review post acquisition performance.

Applicants should be aged between 28 and 35 and must have an MBA and be able to demonstrate an excellent track record with some acquisition experience. Business flair, creativity and excellent communication skills are considered essential. Fluency in at least one European language would be useful.

The successful candidate will enjoy a high profile role with exposure to the main Board, therefore an attractive remuneration package will be offered which will include a full expensed car, contributory pension scheme, profit share and share options.

Interested candidates should send a career resume, including details of current remuneration, and a daytime telephone number, in the strictest confidence to:-

**HODGSON
IMPEY**

Peter Willingham (Ref. 051)
Managing Director
HODGSON IMPEY
SEARCH & SELECTION LIMITED
50 Pall Mall London SW1Y 5JQ

SYSTEMS ACCOUNTANT

Our client is a leading underwriting firm operating in the Lloyd's market. The company recognises the importance of using Information Technology to give their business a competitive advantage and has recently invested in a multi-million pound computer system - widely regarded as the most advanced so far developed in their field.

They now seek an accountant to manage the computerised accounting and information systems function. As well as ensuring the highest quality output of financial and management information and maintaining accounting integrity throughout the system, this role will involve working with the MIS Department to develop and further enhance the system as well as implementing it in new business areas.

The position calls for an energetic and

practically-oriented Chartered Accountant, with proven ability to manage and motivate staff, and to communicate with and influence people at all levels. Applicants should have at least two years' post-qualifying experience, gained in a line accounting or audit role with a major organisation. This must include hands-on experience of mainframe computer systems.

This is an extremely challenging brief, with considerable scope and management responsibility. The role is set to expand and prospects in both the medium and long term are excellent.

Applications, in the form of detailed career resumes, should be sent in confidence to John Mated, Digby Moore Associates, Mountbatten House, Victoria Street, Windsor, Berkshire SL4 1HE, quoting reference SA65. Telephone 0753 857181. Fax 0753 860696.

DIGBY MOORE ASSOCIATES
SEARCH SELECTION



Financial Director

Cambridgeshire

c£30,000 + car + bonus

The St Ivel Group is one of the UK's largest food groups with turnover of well over £1 bn. We are looking for a Financial Director to head up the finance function in their Fresh Produce business area, which is composed of several companies and co-operatives, including one in France and a London-based importer.

The role is very varied and challenging, and we need someone with real business sense and experience who can set and maintain financial standards across largely autonomous business units. A high level of technical accomplishment will be needed to find ways of improving financial performance, deal directly with banks and foreign currency transactions, progress business development opportuni-

ties and manage both line and functional reporting relationships.

Candidates must be qualified accountants with significant commercial experience in a dynamic environment who can demonstrate the ability to make things happen.

Salary is negotiable around £30,000 + car and bonus. There is an attractive package of other benefits and exceptionally good prospects for a candidate with real talent in this very substantial and dynamic group.

Please reply in strictest confidence with full cv to Vincent Lyddieth, James Allen & Associates Limited, 46 Drury Lane, Solihull, West Midlands, B91 3BJ. Telephone 021-705 7399.

JAMES ALLEN
ASSOCIATES LIMITED
EXECUTIVE SEARCH, SELECTION & DEVELOPMENT

AMBITIOUS ACCOUNTANTS

Major Financial Services Group
package to £30,000

Our client is one of the largest and most influential British groups. The scale, diversity and changing nature of its activities and their financial management and IT requirements have created and continue to create a very wide range of career opportunities for ambitious young accountants.

Initially working in a high profile team based in Central London you will review and appraise the group's activities, controls and information systems - an investigative role providing a thorough insight into the many facets of the group's interests and a proven stepping stone for rapid progression at group or operating company level.

A very competitive remuneration package including non-contributory pension and low cost mortgage will be geared to attract young accountants who have qualified within the last four years and are seeking unrivalled experience and career opportunities.

Please write with full career details or telephone David Tod BSc FCA quoting reference D/835/IF.

LOYD MANAGEMENT Selection Consultants, 125 High Holborn London WC1A 6QA 01-405 3499

Financial Controller

Exceptional opportunity in an international group

Norihants

to £24K + car

Engelhard is a leading international name in the business of specialty chemical engineered material and applied precious metal technology. With a corporate HQ in the USA our reputation for quality and professionalism is known worldwide.

Engelhard Technologies Limited, Devonshire is a highly successful part of the Group, dealing with specialty chemicals. With an annual turnover of £5M, a talented Accountant is needed to take on the position of Financial Controller to make an important contribution to both the future success of the Company and the Group as a whole.

This high profile role covers a broad range of tasks with total responsibility for the financial and company secretarial functions including the development of management information systems, key involvement with strategic planning, and a valuable input to commercial decision-making generally. Ideally you will be fully

qualified but, more importantly, have sound business experience at a senior level, as you will play a significant role as a member of the management team in the achievement of our business strategy. Corporate literacy is important.

Your personal qualities must include the drive and enthusiasm to succeed in a pressured environment and the scope and ambition to develop within this important role. Exceptional communication and interpersonal skills are essential.

We offer a salary of up to £24,000 p.a. plus a company car and a generous range of benefits and superb opportunities for career progression throughout our International Group. An excellent relocation package will be available where appropriate.

Please send your CV to Mr K N Holloway, Human Resources Manager, Engelhard Limited, Valley Road, Cinderford, Gloucestershire GL14 2PB.

ENGELHARD

Director of Finance

UNIVERSITY OF LIVERPOOL, TO £40,000

With an expenditure budget of some £90 million and more than 8,000 full-time students, the University of Liverpool is one of the country's foremost educational establishments. It is now facing the challenges presented by the rapidly changing world of university education.

An exciting opportunity exists for the appointment of the Director of Finance, responsible for the financial operations of the University. Reporting to the Vice-Chancellor, the Chief Executive Officer, you will be a key member of the management team that will respond to the pressures of

the 1990's. You will head a finance function of some 75 staff and your immediate task will be to develop further the financial planning and information systems required in the management of this changing environment.

As a qualified accountant, you will already be holding a senior financial position in either the public or private sector. Although experience of educational establishments is not essential, you need to be able to relate to the academic world and have the personal qualities that will secure acceptance of required

changes. You are unlikely to be below age 35.

Resumes please, which include a daytime telephone number and an indication of present salary in confidence, to Peter Jones, Coopers & Lybrand Executive Resourcing Limited, Abacus Court, 6 Minshull Street, Manchester M1 3ED, quoting ref P172.

Executive Resourcing

Coopers & Lybrand

Financial Director

Essex

c£30,000 + Bonus + Car

Our client is an autonomous subsidiary of an expanding international public Group, engaged in the worldwide distribution of high technology industrial goods.

They now seek to appoint a Financial Director who, reporting to the Managing Director, will assume full responsibility for the financial and commercial functions of the business. Key areas of responsibility will include the upgrading of financial controls; strategic and financial planning; and the further development of management information and reporting systems. As a member of the Executive Management Team, the individual will be expected to make a significant contribution to the commercial management of the business.

Candidates, aged 30+, will be Qualified Accountants, with systems implementation

experience gained in a fast moving, multi-national organisation. Well developed communication skills and the ability to make an effective contribution to profit development within a growth orientated environment are regarded as pre-requisites for this appointment. As this is viewed as a development role within the Group, career prospects are considered excellent.

A comprehensive package including a profit related bonus scheme and full relocation facilities are available where appropriate.

Interested applicants should submit their CVs to Wayne Thomas, Executive Director, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Exon, Berkshire SL4 6BW.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Financial Controller

FINANCIAL DIRECTOR DESIGNATE

North East Manchester

c £25,000 + bonus + car + benefits

Our client, an established £10m turnover business which distributes quality watches, is a subsidiary of Fine Products PLC - a company based in the UK which has worldwide interests. They wish to recruit an ambitious accountant, with practical management experience in the consumer goods field.

The successful applicant will become a key member of the management team, and will be specifically responsible for:

- The management and development of the Accounts Department.
- The provision of timely and accurate financial and management information.
- The installation and operation of a new computer system.

We are seeking a qualified accountant - probably aged between 30 and 40 - who can demonstrate significant potential for advancement and who has a proven track record of implementing and operating computer based management information systems, costing, budget setting and monitoring, man management and success at senior management level.

This interesting and demanding role provides scope for rapid promotion to Finance Director. Further career prospects are excellent for the right individual.

Applicants should write, in confidence, with full personal and career details (including current remuneration) to: Paul Hendry, Spicers Consulting Group, 12 Booth Street, Manchester M60 2EO.



SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL



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HILL LEIGH

GROUP FINANCIAL DIRECTOR

Somerset c£35,000 + Car + Benefits + Equity Opportunity

For further information contact: Accountancy Personnel, 26 King Street, Bristol BS1 4DZ. Tel: 0272 230611.

The Hill Leigh Group engaged in timber importing and distribution, timber and builders merchandising and high quality joinery manufacturing, recently the subject of a management "buy-in", now seeks a finance director to join its dynamic group board.

If your accounting and other academic qualifications together with your drive, track record, technical ability and interpersonal skills suit you to this rare opportunity, please send a full cv, together with a letter of application in your own handwriting.

HOVERS(UK) LTD

FINANCIAL ACCOUNTANT

Huddersfield From £18,000 + Benefits

For further information contact: Accountancy Personnel, Manor Buildings, 2 Manor Row, Bradford BD1 4NL. Tel: 0274 737066.

Hovers (UK) Limited is a subsidiary of Hovers GmbH, a leading name in the highly competitive freight forwarding and distribution industry.

Following an exciting period of organic growth and acquisition, a challenging role is now on offer to a qualified, commercially-minded accountant who can effectively demonstrate strong management and interpersonal skills. Reporting directly to the Financial Director, your responsibilities will be varied, ensuring and actively involved in the smooth running of the computerised accounts function of five Hovers subsidiary companies.

In return for your commitment, energy and enthusiasm, a generous remuneration package is offered including attractive benefits, along with genuine prospects in this progressive environment.



FINANCIAL DIRECTOR

West Midlands c£26,000 + Car

For further information contact: Accountancy Personnel, 14 Temple Street, Birmingham B2 2BQ. Tel: 021 645 8201

Future developments offer enormous potential for our client a progressive industrial based subsidiary of a leading UK PLC. You will undoubtedly seek to take advantage of this exciting opportunity as a career minded, self motivated individual of calibre.

To meet the challenge you will work closely with the Managing Director sophisticated Financial Controls and raising commercial awareness throughout the company.

This executive post offers outstanding prospects for future career progression.

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Financial Directors

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If you are considering a move or need a new challenge - telephone for an exploratory meeting, without obligation.

Inter-Exec SMI Plc, Lansdown House, 19 Charing Cross Road, LONDON WC2H 0ES. Telephone: 01-930 5041

Senior Financial Managers

Financial Director Designate

Quoted Group in Cardiff requires an experienced Chartered Accountant who, within a short time, will prove himself suitable for appointment as Financial Director. This will involve responsibility for all financial and accounting functions including systems implementation. The Company is expanding rapidly and needs someone of knowledge, initiative and ability to assist its future growth.

Please reply fully to Box A1264, Financial Times, One Southwark Bridge, London SE1 9HL.

Finance Director

EAST MIDLANDS, £50,000 PACKAGE + CAR

As one of the fastest growing, market led DIY companies in the UK, Plasplugs designs and manufactures a range of over 200 products including power tools, electric based products, fishing, and filling tools. In addition to the UK market, sales are expanding rapidly in export markets, particularly through the American subsidiary and European outlets. Turnover has doubled in the last year to £15m and the rapid rate of growth is planned to continue as the international aspects of the group develop.

A strong Finance Director is now needed to play a key role in company strategy development and to advise senior colleagues

on the financial implications of their decision making and long term planning. Close liaison with financial institutions and bankers is an integral part of the role.

You are likely to be in your early 40s, a graduate Chartered Accountant with commercial acumen and you should be able to respond to working in a challenging and fast moving environment. Experience of a well known firm of business where marketing plays a key role in the business strategy but which also encompasses a manufacturing facility would be a considerable advantage. As a person you should be strong in character and possess good communication skills.

This is a unique opportunity to become involved with a fast growing, high profile company where the only limitation will be your own ability to keep pace with the growth envisaged.

Please send your CV, to include a day time telephone number and details of salary progression, to John Elliott, Coopers & Lybrand Executive Resourcing Limited, 43 Temple Row, Birmingham B2 5JL, quoting reference JE157.

Executive Resourcing
Coopers & Lybrand

APPOINTMENTS

ADVERTISING

For further information

call 01-873 3000

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ext 4177

Paul Maraviglia
ext 4676

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ext 3456

Patrick Williams
ext 3694

Candida Raymond
ext 3351

FRUSTRATED ACCOUNTANT WANTED - are you fed up with being "just an accountant", and would like to play an active role in helping me manage my small but very successful business? I need a capable right hand man/woman to be in complete control in my absence. If you can deal with suppliers, sales representatives, and monthly management accounts, and live near to Ealing, send details to Box A327, Financial Times, One Southwark Bridge, London SE1 9UL.

Financial Controller Institutional Fund Management

London W1 **£55,000 + benefits**

This is an exciting opportunity to join a small but highly successful team of international fund managers, with impeccable credentials. The company already manages portfolios on behalf of a broad range of major world-wide institutions, and has significant growth plans.

Reporting to the Managing Director, you will be expected to take control of, and be responsible for, all financial, administrative and computer aspects of the company.

You will have a good degree, and a chartered accountancy qualification. You will now be looking for a chance to utilise your breadth of skills in a dynamic and growing company.

You must have a proven record of success at a senior level, in a fast-moving environment, preferably in financial services. You will be adept at handling and developing computer systems, a meticulous administrator and be able to handle compliance with regulatory bodies.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref 3040, to Bruce McKay, Executive Selection Division.

Touche Ross

Thames Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361.

Financial Executive/ General Manager

£45,000 plus car and profit share
London

A major international group with a strong financial base and wide overseas connections operates an import and export company and a real estate company in London. The businesses have been growing steadily since their commencement 8 years ago and now wish to appoint a senior executive.

The successful candidate will report to the Group Chairman and have a key input to strategy setting and business development as well as

responsibility for overseeing the operations of the two companies.

Owing to the high profile nature of the appointment, our client is looking for mature candidates (aged about 50) who have already made their mark as forward-thinking financial entrepreneurs. You should be a qualified accountant, preferably chartered, with proven experience as head of a finance function and exposure to strategic planning, bankers and other advisers.

Experience in import and export and/or real estate is desirable.

This is an excellent opportunity for an enthusiastic accountant to head up a small but developing enterprise within a successful group.

Please write with a full CV, quoting reference MCS/7018 to Miles Holford Executive Selection Division Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL

Price Waterhouse



FINANCIAL CONTROLLER

London **c.£30,000 + Car and Benefits**

Comtext International is a fast growing, £5m, telecommunications service company with large and small clients throughout the world. Our products are message handling media including telex, fax and electronic-mail. We are embarking on a network development programme through a combination of internal growth and acquisition.

Reporting to the Chief Executive, you will be responsible for the financial administration and secretarial activities, ensuring that effective control systems manage the efficient use of working capital, particularly cash. You will be a key person in the management team participating in the day to day decisions shaping the progress of the company.

Candidates will be qualified accountants, capable of both tight hands-on management of a small accounts department whilst maintaining the commercial awareness to support senior management in its demanding development programme. You will have previously successfully managed a finance function.

An excellent remuneration package will be negotiated and will include benefits normally associated with an appointment at this level.

Interested applicants should write enclosing their curriculum vitae and daytime telephone number to Mr A. C. Gale, Director, Comtext International Ltd, 15-27 Gee Street, Goswell Road, London EC1V 3RE.

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Cambridge

Acorn Computers leads the market with its extensive range of high-performance microcomputer-based systems. A USM listing, a turnover of £40 million and a healthy balance sheet reflect the professionalism of positive financial management in a climate of continual change.

We need an experienced Chartered Accountant who will be responsible for the operational management of the finance function and to assist the Financial Director in strategic planning and budgeting. You will need the technical skills gained from one of the 'big 8' to ensure that the professionalism of the finance function is maintained and that new developments are implemented which meet the operational requirements of the future. Ideally you will have a high-tech background within a commercially driven company.

You will need to have experience of staff management and have the necessary skills to motivate both professional and support staff. To recognise these skills and challenges, Acorn will reward you with an excellent package and benefits. Apply now by sending a full CV to:

Jackie Arthur
Personnel Department
Acorn Computers Limited
Fulbourn Road
Cherry Hinton
Cambridge
CB1 4JN

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Financial Manager

Prestige Architectural Practice

Central London **£32,000 + car & pension**

This highly successful, award-winning practice is involved in major and prestige projects, many of which are landmarks in the Capital. Forty professional staff are supported by a small and enthusiastic backup team on building projects valued from £.5 million to £70 million.

As Financial Manager, a new role reporting to the principal Partners, you will provide hands-on expertise to enable the firm's continuing growth. You will have a broad role: all finance and accounts matters, including computerisation; the financial and documentation aspects of contracts; as a priority, selection and implementation of MIS; strategic planning; taxation and company secretarial requirements.

A qualified accountant, 28-32, with around three years commercial p.a.e., you will be comfortable in an informal professional office and capable of defining computer needs and controlling the implementation of systems.

The remuneration package includes a fully maintained car and pension, with potential for equity participation.

Please reply in confidence, giving full career and salary details and a daytime telephone number, and quoting reference 1587 to Barbara Robertson, or call her on 01-583-3303.

BDO BINDER HAMLIN
BDO Binder Hamlyn Management Consultants
8 St. Bride Street, London EC4A 4DA

Finance Director

Surrey **c£34,000 + Car**

Pending retirement creates an opportunity for an experienced and qualified accountant with a manufacturing background to join a progressive chemical manufacturing company with a turnover in the UK approaching £130m.

Reporting to the MD, the Finance Director takes full control of the UK company Finance and IT functions within a highly computerised multi-national structure.

Applicants, aged 35-50, will be professionally qualified and have broad based experience covering financial and management accounting, budgetary control, taxation and treasury. Considerable experience of computer systems is vital as the job holder is responsible for driving a very comprehensive UK IT programme.

Excellent terms and conditions of employment include fully expensed executive car, free life insurance and pension, free medical insurance and generous relocation expenses.

For an application form please telephone or write to:
UK Personnel Manager,
Akzo Chemicals Limited,
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Hersham,
Winkton-on-Thames,
Surrey KT12 5NL.
Tel: (0932) 247891



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With the Head Office close to the junction of the M25 and M3 my client, a highly visible and fast expanding independent subsidiary of a major UK trading group, has firmly established a reputation for providing a range of top quality vehicle finance and management services to some of the country's best known companies. Their standards of excellence, developed by a highly motivated enthusiastic young management team, has created a solid foundation from which a successful market leading position has been achieved with consequential levels of growth.

To strengthen the management team a key new position has been identified for a professionally qualified accountant, to take control and develop the computerised accounting and management information systems.

Candidates, ideally aged 28 - 40 years, will possess the personality and experience necessary to integrate into and complement a highly demanding hard working dynamic young "hands on" team. The key to success is the strength of character and experience required to operate successfully at board level, contributing to the company's development and acquisition strategy and taking responsibility for the general accountancy functions which includes, management accounting, payroll and pensions, credit control, tax computation, preparing end of year accounts, advising upon corporate taxation policies and investment planning, as well as negotiating with major financial institutions.

If you are seeking a rewarding, interesting and challenging career opportunity with a fast expanding innovative young company, contact John Taylor, Confidentially, for an initial discussion, further information or an application form. Should you prefer to forward your own CV please include a daytime telephone number and current salary.

SETTING PROFESSIONAL STANDARDS FOR RECRUITMENT

FINANCE DIRECTOR

(Designate)

Gtr Manchester/
Merseyside **to £30,000 + car + benefits**

The pursuit of excellence has been the cornerstone of our client's philosophy since the formation of the company in 1982. Their complete dedication to professionalism and high quality service has gained them an enviable reputation, with an impressive client list and turnover approaching £7m.

The Managing Director of this business needs to take a number of key decisions to set the company's course into the 1990's. An important element in this plan is to strengthen the contribution to achieving ambitious profit and performance goals.

The brief will be demanding. Essentially you will provide a commercial advisory service to the Managing Director. This will incorporate cash and balance sheet management, short and long-term planning - including acquisition and investment appraisals, developing improved accounting systems and pursuing a vigorous strategy of improvement where necessary. You will also control an able accounting team.

To handle this role you will be an experienced and talented accountant with well developed skills in three areas - financial reporting, commercial acumen and interpersonal communications. You should be qualified, probably in your thirties, ideally with experience within a construction, service-oriented environment.

If you meet the challenge successfully, you will find that your prospects are outstanding.

Please contact Linda Gosnell at our Liverpool office on 051-236 9373 or Audrey Shaw at our Manchester office on 061-834 0618, quoting ref. 1147

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INTERNATIONAL COMPANIES AND FINANCE

Ruling helps Goodman's IEL bid

By Bruce Jacques in Sydney

THE AUSTRALIAN Stock Exchange has relieved some pressure on Goodman Fielder...

retailer, to the New Zealand-based Brierley Investments (BIL).

other shareholders should have the right to decide whether it goes ahead.

include Banks Hovis McDougall, the British food group, and Elders IXL, Australia's second largest company.

Malaysian Chinese investment group falls to Kamunting

By Wong Sulong in Kuala Lumpur

KAMUNTING Corporation, until recently a little-known toll operator and tin miner, appears to have won control of Multi-Purpose Holdings...

217 ringgit, although the offer is not extended to other MPH shareholders.

India opens up to foreign equity

By R.C. Murthy in Bombay

THE INDIAN Government is selectively permitting equity investment by foreign groups in manufacturing and services...

Peugeot of France, which collaborates technically with Mahindra and Mahindra to produce automotive engines...

in India and the peak reached this year by the debt service ratio.

Equiticorp sends Fisher into loss

By Our Financial Staff

FISHER AND PAYKEL, the New Zealand home appliance maker, slid to an attributable loss for the year to March...

Chase Corp concerned at delays in sales of assets

CHASE Corporation, a New Zealand property and investment company, has expressed concern at delays in its asset sale programme.

said it expected to realise A\$238.6m (US\$172.5m) or A\$3.55 per share for its Hanimex stake...

ANI considers selling Aurora

AUSTRALIAN National Industries (ANI) may try to sell Aurora, its British engineering unit, AP-DJ reports.

Trade boom lifts C Itoh

C. ITOH, a Japanese trading house, lifted consolidated net earnings in the year to March by 19.5 per cent to Y30.4bn (\$205.3m) amid robust expansion of the domestic economy.

yen's appreciation and lower crude oil prices combined to keep export revenue 3 per cent below the previous year's level at Y2,162bn.

Federal Express names head for Flying Tigers acquisition

FEDERAL EXPRESS, the Tennessee-based company that pioneered the overnight package delivery business...

remaining 57 per cent shareholding named Mr John Ricketts executive vice president.

Amcor paper and packaging group appoints chairman

AMCOR, Australia's leading paper, pulp and packaging manufacturer, announced the appointment of Sir Brian Inglis as chairman.

Company of Australia, Sir Brian is currently chairman of Aerospace Technologies of Australia.

dent of the Federal Reserve Bank of New York, will join J.P. Morgan Securities in August as a managing director and head of fixed income securities sales and trading.

INTERNATIONAL APPOINTMENTS

NOTICE TO HOLDERS of Bearer Warrants to subscribe up to ¥118,760,000,000 for shares of common stock of TOYOTA MOTOR CORPORATION

Credito Italiano S.p.A. 1988 results. FINANCIAL HIGHLIGHTS FOR THE YEAR (in billions of lire). The year ended December 31, 1988 closed with a net profit of Lit 416.6 billion.

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Bankers Trust New York Corporation U.S. \$300,000,000. Floating Rate Subordinated Notes due 2000.

Up to U.S. \$100,000,000 THE SOCIETY FOR SAVINGS. Collateralized Floating Rate notes Due 1991 of which U.S. \$50,000,000 is the Initial Tranche.

Credito Italiano S.p.A. 1988 results. FINANCIAL HIGHLIGHTS FOR THE YEAR (in billions of lire). LOANS & ADVANCES 22,723 (+27.6%).



June 1989

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(Incorporated with limited liability in Japan)

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Sarban Bank Corporation	US Phillips & Drew Securities Limited
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(This advertisement appears as a matter of record only.)

June 1989

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Tokyo, Japan

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Banque Bruxelles Lambert S.A.	Banque Paribas Capital Markets GmbH	BNF-Bank
CIFB-Effektenbank	Dai-ichi Kangyo Bank Netherlands N.V.	Deutscher Europäischer Bankverein GmbH
Hessische Landesbank - Girozentrale -	Merrill Lynch Bank AG	The Nikko Securities Co., (Deutschland) GmbH
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(This advertisement appears as a matter of record only.)

June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Kabushiki Kaisha Dai-ichi Kangyo Ginko)

Tokyo, Japan

Listing of the Shares of Common Stock on the
Swiss Stock Exchanges

Credit Suisse

Union Bank of Switzerland Swiss Bank Corporation

Dai-ichi Kangyo Bank (Schweiz) AG
(Arranger)

Swiss Security Number: 764,950

Swiss Francs 300,000,000
1/2 per cent. Swiss Franc
Convertible Bonds due September 30, 1993

lead managed by
CREDIT SUISSE

underwritten by

Credit Suisse	Swiss Bank Corporation
Dai-ichi Kangyo Bank (Schweiz) AG	

Bank Völkbank Bank Julius Bär & Co., Ltd. Bank Hofmann Ltd. BSG Swiss Bank Swiss Bank Compagnie de Banque et d'Investissement, C.S. Deutsche Bank (Schweiz) S.A.	Commerzbank (Schweiz) Ltd.	Dresdner Bank (Schweiz) Ltd.
Nomura Bank (Schweiz) Ltd.		
Yamaichi Bank (Schweiz) Ltd.		
The Nikko (Schweiz) Ltd.		
Paribas Co. Ltd.		
Citigroup Investment Bank (Schweiz) Ltd.		
Kreditbank (Schweiz) S.A.		
S.G. Warburg (Schweiz) S.A.		
Wirtschafts- und Privatbank		
Centralbank of Switzerland Bank Serravallo & Co. Banco Depositional Creditbank Banco Pirella Göttsche & Rothschild S.A. Credit Union Bank		
Mitsubishi Bank (Schweiz) Ltd.		
Morgan Kangyo Kinokuni (Schweiz) Ltd.		
Banque Paribas (Schweiz) S.A.		
Handelsbank J.H. Hiltner Handelsbank Zurich Shearson Lehman Hutton Finance		

(This advertisement appears as a matter of record only.)

June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Kabushiki Kaisha Dai-ichi Kangyo Ginko)

Tokyo, Japan

Swiss Francs 600,000,000
Zero Coupon Swiss Franc
Convertible Notes due September 30, 1993

lead managed by
CREDIT SUISSE

underwritten by

CREDIT SUISSE

Dai-ichi Kangyo Bank (Schweiz) AG	Nomura Bank (Schweiz) Ltd.
Nippon Kangyo Kinokuni (Schweiz) AG	Yamaichi Bank (Schweiz) Ltd.
The Nikko (Schweiz) Finance Co. Ltd.	Dalmeida (Schweiz) Ltd.
Chuo Trust Finance (Schweiz) Ltd.	Mitsui Trust Finance (Schweiz) AG
Bank Julius Bär & Co. AG	Banque Paribas (Schweiz) S.A.
Merrill Lynch Capital Markets AG	Schweizerische Volksbank
Wirtschafts- und Privatbank	Morgan Stanley S.A.
S. G. Warburg (Schweiz) SA	BSI - Banca della Svizzera Italiana
Banque Cantonale Vaudoise	Deutsche Bank (Schweiz) S.A.
Royal Trust Bank (Schweiz) Ltd.	Westdeutsche Landesbank (Schweiz) AG
Zürcher Kantonalbank	Bank Lou AG
Banque Kleinwort Benson SA	Baring Brothers S.A.
Banker Kantonalbank	Citigroup Investment Bank (Schweiz) Ltd.
Commerzbank (Schweiz) AG	Finster Bank Zürich
Handelsbank NeWest	Lombard, Odier & Cie.
Nordbank Bank Zürich	J. Henry Schroder Bank AG
Shearson Lehman Hutton Finance	SOGENAL, Societas Générale Alsacienne de Banque

(This advertisement appears as a matter of record only.)

June 1989

THE DAI-ICHI KANGYO BANK, LIMITED
(Kabushiki Kaisha Dai-ichi Kangyo Ginko)

Tokyo, Japan

Swiss Francs 100,000,000
3/4 % Convertible Notes 1989-1993

Issue Price 100%

Dai-ichi Kangyo Bank (Schweiz) AG

Banque Paribas (Schweiz) S.A.	Kreditbank (Schweiz) S.A.
Wirtschafts- und Privatbank	Novartis Bank Zurich
Shearson Lehman Hutton Finance	Swiss Volksbank
S.G. Warburg (Schweiz) SA	Merrill Lynch Capital Markets AG
Bank Julius Bär & Co. AG	Citigroup Investment Bank (Schweiz) Ltd.
Credit Lyonnais Finance AG Zurich	Handelsbank NeWest
Lombard, Odier & Cie.	Morgan Stanley S.A.
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THE DAI-ICHI KANGYO BANK, LIMITED

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(Issued in conjunction with an issue by Sanyo-Kokusaku Pulp Co., Ltd. (the "Company") of U.S. \$130,000,000 3 1/2% Guaranteed Notes due 1992) ADJUSTMENT OF SUBSCRIPTION PRICE Pursuant to Clause 4 of the Instrument dated September 10, 1987...

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY on behalf of SANYO-KOKUSAKU PULP CO., LTD.

U.S. \$110,000,000 Azienda Nazionale Autonoma delle Strade Floating Rate Notes Due 1990 By virtue of existing legislation direct and unconditional general obligations of The Republic of Italy

Sonatrach Societe Nationale pour la Recherche, la Production, la Transformation et la Commercialisation des Hydrocarbures U.S. \$50,000,000 Guaranteed Floating Rate Notes due 1986 to 1992

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Now Issue June 15, 1989 All these Bonds having been sold, this announcement appears as a matter of record only.

MITSUBISHI TRUST AUSTRALIA LIMITED Sydney A\$ 60,000,000 18 1/4 % Bonds due 1990

UK ECONOMIC INDICATORS

Table with 7 columns: Index, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, Annual, 1988, 1989. Rows include Industrial production, Retail sales, etc.

Table with 7 columns: Index, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, Annual, 1988, 1989. Rows include Exports, Imports, Balance of trade, etc.

Table with 7 columns: Index, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, Annual, 1988, 1989. Rows include Inflation (CPI, RPI, FPI), etc.

Table with 7 columns: Index, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, Annual, 1988, 1989. Rows include Money supply (M0, M1, M2), etc.

Table with 7 columns: Index, 1st qtr, 2nd qtr, 3rd qtr, 4th qtr, Annual, 1988, 1989. Rows include Inflation (Wholesale, Retail, Food, etc.), etc.

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INTERNATIONAL CAPITAL MARKETS

New-issue activity slows ahead of US trade data

By Andrew Freeman NEW-ISSUE activity contracted sharply on the Euromarkets yesterday, ahead of today's US trade deficit figure for April. Although few straight maturity deals emerged, there was a welcome reopening of the longer-dated Ecu sector which had a strong reception.

The Ecu150m 10-year deal was brought for Caisse National des Autoroutes (CNA) by Paribas Capital Markets Group. The French government-guaranteed bonds carried an 8% per cent coupon and were priced at 101 1/2.

The lead manager was quoting the bonds at less than 1.65 bid, well inside underwriting commissions and coupon payments on the long-dated Ecu bonds performed strongly on the secondary market yesterday, rising by 1/2 point amid talk that the revision of the Ecu currency basket might be announced next Monday.

The issue proceeds were unwrapped as fixed funding rates were attractive. CNA is one of the few borrowers which uses the Ecu as a currency of obligation. The bonds offered a yield of about 8.80 per cent at their issue price less full fees.

NEW INTERNATIONAL BOND ISSUES Summary table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner.

FT INTERNATIONAL BOND SERVICE Listed are the latest international bonds for which there is an adequate secondary market.

Large table of international bond issues with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner.

DEUTSCHE MARK STRAIGHTS Summary table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner.

FLYING RATE Summary table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner.

SWISS FRANC STRAIGHTS Summary table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner.

Summary table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner.

Banks warn Switzerland on excessive regulation

SWITZERLAND could endanger its role as a financial centre by over-regulating financial markets, the Association of Foreign Banks in Switzerland warned yesterday, Reuters reports.

Noting government plans to tax fiduciary accounts, extend banking regulations to cover financial companies and outlaw money laundering, the association said Swiss authorities could drive banking customers to other centres.

Switzerland was also weighing-up the creation of a new bourse supervisory body and the granting of powers to its cartel commission to give it more powers to regulate banks, but cautioned against raising costs via an over-zealous break-up of voluntary price-fixing agreements.

The association welcomed the cartel commission's recent call for more competition in the Swiss banking sector, but cautioned against raising costs via an over-zealous break-up of voluntary price-fixing agreements.

Swiss limits on professional secrecy for lawyers acting as financial administrators had been criticised by tax authorities to shift funds to Liechtenstein and Luxembourg, it said.

Commodities Corp sells stake to Orix

COMMODITIES Corp, the big US futures market manager, is to sell a 30 per cent stake in the company to Orix Corp for about \$80m plus a contingent amount based on future earnings, Reuters reports.

Orix, the largest leasing company in Japan, will also hold an option to acquire an additional 10 per cent interest in Commodities Corp as part of the latter's capital-raising efforts. Orix will send three directors to the company to acquire trading expertise in the US markets.

Commodities Corp, a private company, trades futures for its proprietary account as well as being an adviser and manager of commodity funds.

SWEDISH INDUSTRY The Financial Times proposes to publish this survey on: 30th June 1989

FINANCIAL TIMES CONFERENCE & EXHIBITIONS The Financial Times proposes to publish this survey on: 17 JULY 1989

FINANCIAL TIMES CONFERENCE & EXHIBITIONS The Financial Times proposes to publish this survey on: 17 JULY 1989

Carnaud S.A.

Carnaud merged with
Metalbox Packaging
to form CMB Packaging S.A.

The undersigned acted as joint advisers
to Carnaud

Lazard Frères et Cie

Lazard Brothers &
Co., Limited

Thorn-EMI PLC

Thorn-EMI acquired
Holophane S.A.

The undersigned acted as joint advisers
to Thorn-EMI

Lazard Frères et Cie

Lazard Brothers &
Co., Limited

BSN S.A.

BSN acquired
HP Foods and Lea & Perrins
from Hanson plc

The undersigned acted as joint advisers
to BSN

Lazard Brothers &
Co., Limited

Lazard Frères et Cie

Les Echos

Pearson plc acquired
Les Echos

The undersigned acted as adviser
to the shareholders of
Les Echos

Lazard Frères et Cie

**Société Centrale de l'Union des Assurances
de Paris**

UAP International acquired
an 18% interest in Sun Life

The undersigned acted as adviser
to UAP International

Lazard Frères et Cie

Pearson plc

Lazard Brothers advised Pearson in
the sale of its majority holding in
Société Civile du Vignoble de Château
Latour to Allied Lyons PLC

The undersigned acted as adviser
to Pearson plc

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Tél: 489-6600
Telex: RCA 223301

INTERNATIONAL CAPITAL MARKETS

Renewed dollar upsurge boosts Treasuries

By Janet Bush in New York and Stephen Fidler in London

ANOTHER surge in the dollar, in spite of reportedly heavy intervention in the Far East by the Bank of Japan and dollar sales by the Federal Reserve, helped US Treasury bonds to reverse some of Tuesday's losses yesterday morning.

GOVERNMENT BONDS

At midsession, the Treasury's benchmark long bond was quoted nearly 1/4 point higher for a yield of 8.17 per cent. Short-dated maturities were quoted around 1/4 point higher.

At midsession the dollar was quoted sharply higher at Y18.00 and DM2.00. It was helped by a comment by Mr Alan Greenspan, Fed chairman, that global investment flows may continue disproportionately to favour dollar-denominated instruments.

he thought the rally was temporary and that the US authorities were disinclined to try very hard to stop it.

The bond market continues to track the dollar closely and the strength in the currency overshadowed any negative impact from yesterday's strong April business inventories figures.

These inventories rose by 0.6 per cent and business sales jumped 1.7 per cent. The figures should boost second-quarter GNP by perhaps 3 per cent, according to economists at Griggs & Santow.

Markets are now focusing on today's April trade release, which is expected to show a small narrowing in the deficit, and tomorrow's May consumer price release.

The CPI is expected to have risen by 0.5 per cent to 0.6 per cent. The Fed funds rate yesterday jumped to 9 1/2 per cent at midsession, an expected development in light of the Fed's heavy draining moves recently and the fact that yesterday was the last day of the two-week statement period.

The Fed signalled on Tuesday, by conducting an aggressive drain, that it wants Fed funds to slip no lower than 9 1/2 per cent and may be aiming for nearer to 9 3/4 per cent.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Bid Date, Price, Change, Yield, Week Ago, Month Ago. Rows include UK Gilts, US Treasury, Japan, France, Germany, Canada, Netherlands, Australia.

London closing, 10:00am New York morning session. Yields: Local market standard. Prices: US, UK in 32nds, others in decimals. Technical Data/ATLAS Price Sources

In West Germany, a generous injection of funds by the Bundesbank helped the government bond market to shake off a sluggish start.

The central bank injected DM1.5bn of funds, which more than replaced the DM1.9bn draining from the market as repurchase agreements matured.

The agreements were conducted at rates of between 6.5 and 6.8 per cent, unchanged from last week. Prices rallied by about 10 pfennigs, on the assumption that the Bundesbank council at its meeting today will not

tighten credit conditions further. Buying on the London International Financial Futures Exchange was then cited as triggering a further rally in the cash market and the main findings of the day on the German stock exchange saw prices as much as 65 pfennigs up on the previous day.

Activity on Liffe fell by about 100 contracts short of the April 13 record of 94,700. Amid active trading, the Bundesbank took the opportunity to sell more than DM400m of bonds, according to dealers in Germany.

THE Dutch market also rallied on the back of the German market, gaining 60 to 65 cents on the day.

The Dutch Finance Ministry announced details of a new 10-year state bond with a 7.25 per cent coupon to be sold by tender on June 20.

The issue will carry a lower coupon than the previous issue last month, a 10-year 7.5 per cent issue which raised Fl.6.5bn, and follows a sharp decline in market yields over recent weeks.

THE UK government bond market posted yet another day of decline, although the pace of Tuesday's fall slowed as sterling was steadier on the foreign exchanges.

Trading was moderate ahead of US average earnings figures for April, due today, and retail price inflation figures for May, due tomorrow.

Worries about a possible rise in UK bank base rates from the current 14 per cent level persisted and short-dated gilts fared worse than their longer-dated counterparts.

The 9 per cent bond of 2008 was only a point down on the day at 92 1/2, yielding 9.88 per cent.

CBOT to launch mortgage contract

By Deborah Hargreaves in Chicago

IN AN ATTEMPT to attract some business from the burgeoning over-the-counter market, the Chicago Board of Trade plans to launch tomorrow futures and options on mortgage-backed securities.

The new contracts, which will be based on the "Ginnie Mae" (GNMA) coupon, mark the fifth attempt by the CBOT to cash in on the lucrative but esoteric mortgage business.

The GNMA futures contract was the first financial futures instrument launched by the CBOT, in 1975.

The exchange says its new futures and options contracts will track more closely changing interest rates. Failure to do this in the initial contract brought about its demise. This time the CBOT has worked closely with mortgage banks and traders to tailor the contracts closer to their needs.

The new products will also represent the first time the exchange has traded options on mortgage-backed securities.

Mr Karsten Mahlmann, CBOT chairman, said: "These contracts, designed for both the institutional and individual investor, will provide a standardised alternative to customised over-the-counter products."

The cash market for mortgage-backed securities is huge - valued at more than \$240bn - and it has previously turned to the OTC market for hedging purposes.

Mr Brent Lockwood, manager of mortgage-backed securities trading at Smith Barney in New York, said: "It's amazing this market has gone on as long as it has without a risk hedging tool."

Mortgage-backed forward contracts trade 150m lots on the OTC market last year. The CBOT's contract will offer lower transaction costs and narrower bid-ask spreads than OTC products, according to Mr Mahlmann.

The CBOT is initiating a permit programme to encourage the development of liquidity in the new contracts. Permits will allow traders and outsiders to trade mortgage-backed futures more cheaply than other CBOT products.

Chilean equity swap to reduce debt by \$350m

By Stephen Fidler, Euromarkets Correspondent

A \$350m cellulose and paper venture for Chile, which will bring about a significant reduction in the country's foreign debt through a large debt-to-equity swap, is nearing completion, according to bankers close to the project.

Celulosa del Pacifico will be a joint venture between CMPC, the Chilean pulp and paper concern, Simpsons Paper, a privately-held US company based in Seattle, and the International Finance Corporation, the private sector affiliate of the World Bank.

The Chilean company will invest \$60m in the project and Simpsons, which holds a long-standing equity stake of about 5 per cent in CMPC, will invest the same amount through a conversion of Chilean foreign debt. The IFC equity investment will be \$10m.

A syndicate of six foreign banks, led by Bank of America, will provide \$225m of finance as preferred shareholders through the conversion of foreign debt. The funding will be in the form of a fixed-rate note for the construction period, expected to be for 30 months.

It will then be converted into currency preferred shares, which will pay dividends related to the international price of pulp.

The innovative dividend structure allows the company to bring outgoings more closely into line with revenues, but gives participating banks the possibility of higher returns if the pulp market is strong.

The bank group also includes Midland of the UK, Chemical Bank, Marine Midland, Bank of Tokyo and Manufacturers Hanover. Bankers say they believe it to be one of the largest debt-equity conversions ever accomplished for a new project in Latin America, and certainly the largest in Chile.

A further \$217m of funds is provided by senior lenders, including the IFC, and the development and export agencies of a number of countries, including Canada, Finland and West Germany.

IFC is providing \$40m of the senior finance and is expected to syndicate among international and particularly European banks to raise a further \$30m to \$50m of new loans. The provision of new senior finance by banks is seen as an important element of the package, since it will provide evidence that the right circumstances exist for new private loans to Latin American countries are possible.

Furthermore, the project will allow a reduction in Chile's foreign debt burden, which bankers estimate will drop by about \$350m. This implies a discount of some 20 per cent to face value of the conversions. According to central bank officials, this will bring the country's foreign debt burden down to about \$18.5bn.

In contrast to many of its neighbours, Chile has had an active debt-to-equity swap programme in recent years through which it has already exchanged more than \$5bn of foreign debt. Late last year the Government reduced its debt by a further \$300m by using \$18.4m of reserves to buy back loans.

The new export-oriented paper project, designed to take advantage of the low cost and high quality of wood production in the country, will be located in the Bimbrico region of southern Chile and the product exported through the port of Comsepcion.

Chicago in interest-rate swap extension

THE Chicago Mercantile Exchange is to extend the maturity of its three-month Eurodollar contract in an attempt to capitalise on the interest-rate swap market, Reuter reports.

The CME received a green light from the Commodity Futures Trading Commission about two weeks ago to add extra quarterly cycles to the three years' worth of contracts that it already trades.

Interest-rate swaps transacted during the first half of 1988 exceeded \$200bn, according to the latest data available from the International Swap Dealers Association.

This year's record open interest in Eurodollar futures can be attributed partially to the burgeoning swap market.

CME puts Globex negotiations on hold

By Katharine Campbell

TALKS WITH several futures exchanges regarding their participation in Globex, the automated trading system being developed jointly by the Chicago Mercantile Exchange (CME) and Reuters, have been temporarily suspended.

The suspension is one result of a recent surprise announcement that the Chicago Board of Trade (CBOT) and the CME are exploring jointly the possibility of unifying what hitherto had been competing electronic trading and order routing systems.

Mr John Geldermann, chairman of the CME, said yesterday at a London futures industry convention that: "The CBOT requested that we suspend negotiations with partner exchanges, except the Matif, during our talks in the next few weeks."

In recent months three exchanges - the New York Mercantile Exchange (Nymex), the French Matif and the Sydney Futures Exchange - had signed letters of intent to enter into a partnership agreement with Globex, allowing it to list a range of their products on the proposed global trading network. Liffe was also engaged in advanced negotiations with Globex.

Simec, the Singapore futures exchange, which has a mutual offset agreement with the CME, had also entered into talks.

While all other potential parties to Globex officially welcomed the effort on the part of the two big Chicago concerns to find common ground, the Nymex has voiced its deep disapproval at the suspension

of talks. Ms Rosemary McFadden, Nymex president, said: "We feel we endorsed the system and thereby gave it credibility." She added the exchange was consequently exploring "other alternatives," but she declined to elaborate.

The other exchanges, while retaining a healthy scepticism as to the likelihood of the world's two largest and hitherto highly combative exchanges reaching a compromise, recognised the logic of such an effort.

However, discussions to be conducted during the next two or three months may suggest a possible solution could be to reshape the current Globex framework. Mr Karsten Mahlmann, chairman of the CBOT, said: "Every aspect of the current environment is on the table."

At the same time, Mr Geldermann reminded delegates that the CME had a binding agreement with Reuters which included performance criteria, that were not in jeopardy. He suggested that the system would be operational some time between October 1989 and January 1990.

While it is unclear why discussions continue with the Matif alone, it is understood that the CBOT had met a general agreement to the response from all the other exchanges barring the Matif - in recent marketing efforts of the CBOT's own system, Anorra. The CBOT might wish to revise these talks if the Chicago joint venture falls through.

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY

Table showing Rises and Falls Yesterday for various categories: British Funds, Corporations, Industrials, Financials, Oil, Plantations, etc.

LONDON RECENT ISSUES

Table showing London Recent Issues for various companies like BHP, BP, etc.

FIXED INTEREST STOCKS

Table showing Fixed Interest Stocks for various companies like BHP, BP, etc.

RIGHTS OFFERS

Table showing Rights Offers for various companies like BHP, BP, etc.

TRADITIONAL OFFERS

Table showing Traditional Offers for various companies like BHP, BP, etc.

LONDON TRADED OPTIONS

Large table showing London Traded Options for various companies and contracts.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table showing FT-Actuaries Share Indices for various groups and sub-sections.

AVERAGE GROSS REDEMPTION YIELDS

Table showing Average Gross Redemption Yields for various categories.

INDEX-LINKED

Table showing Index-Linked data for various categories.

FIXED INTEREST

Table showing Fixed Interest data for various categories.

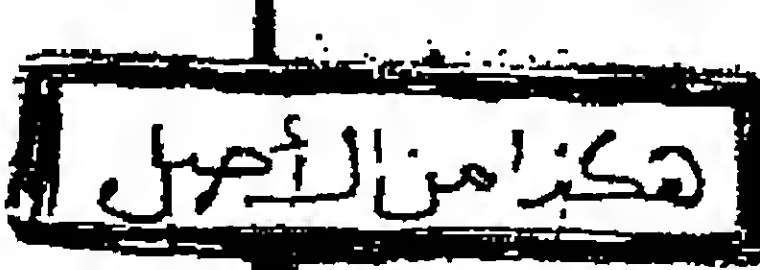
PRICE INDICES

Table showing Price Indices for various categories.

REBATES & LOANS

Table showing Rebates & Loans data for various categories.

Opening index 2111.7; 10 am 2112.7; 11 am 2113.7; Noon 2120.9; 1 pm 2121.7; 2 pm 2125.1; 3 pm 2125.9; 3.30 pm 2125.0; 4 pm 2124.0; 5 pm 2124.0. 9.30 am 9.30 am Flat yield. High and low recorded, base rates. Values and consistent changes are included in Saturday issues. A list of constituents is available from the Editors, Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 30p.



UK COMPANY NEWS

Dawson Intl in line for upturn after 8% fall

By Philip Coggan

A COMBINATION of last year's strong pound, the mild winter and rising raw material costs resulted in pre-tax profits at Dawson International, the textile group, falling 8 per cent in the year to March 31. Pre-tax profits were £48.05m (£47.01m) and after tax of £14.77m (£15.57m), earnings per share were 32.1p (33.4p). A recommended final dividend of 5.95p makes a total of 8.6p (7.9p).

Dawson is best known for its Pringle and Ballantyne sweaters and during the year it acquired CPG, thereby strengthening its position in the thermal underwear market. CPG, which manufactures sportswear as well as thermal underwear, contributed only £100,000 to these figures.

Although Dawson does not break its profits down by division, the cashmere, knitwear and fine-yarns business suffered most. Cashmere suppliers in China failed to meet contracts, costing the company premiums of £1.8m to obtain alternative supplies.

Prices of cashmere also increased, forcing sweater makers to raise prices by 20 per cent over the year. Cashmere was also affected by the mild winter, declined.

The fur fabrics division was



Ronald Miller, chairman of Dawson International

also adversely affected by the weather and by the impact of the strong pound. In general, the strength of sterling made it difficult to sell goods in Europe.

Last year's dollar weakness meant that the group's US profits were £400,000 lower than they would have been had 1987-88 exchange rates prevailed.

However, the group's US companies performed well with US Morgan achieving volume growth of 8 per cent and Duofold 20 per cent.

The group's capital expenditure

for the year was £18.2m and together with the effect of higher raw material costs on working capital, there was a trading cash outflow of £15.4m over the year.

Net borrowings were £21.8m at the end of the year, compared with shareholders' funds of £183.9m.

COMMENT

Dawson, with its sweaters and thermal underwear, is hardly the company to back if you believe in the greenhouse effect. But this year, the sterling effect should help the company recover; as the pound falls, US earnings will be worth much more in sterling terms and exporting will be easier. Add in a full year's contribution from CPG and profits could edge up to £52m; the shares after being initially marked down, recovered to end 29p higher at 306 1/2p yesterday. These are two unknown factors. Will woolen knitwear come back into fashion? And although the company seems confident that it can avoid last year's cashmere supply problems, will political events in China overcome Dawson's optimism? Given the risks and rewards, the shares look fairly rated on a prospective p/e of 10.

TGI exceeds forecasts with 65% rise to £4.2m

By Edward Sussman

TGI, the audio and consumer electronics company which came to the market in January 1988, increased pre-tax profit by 65 per cent from £2.56m to £4.22m in the year to March 31.

The result slightly exceeded analysts' forecasts of about £4m, leading to a 4p rise to 167p in the share price.

Mr Terry Bennett, chief executive, said that in spite of the escalation in interest rates, factored consumer electronic sales and profitability rose by more than 10 per cent.

The group also strengthened its position in areas not directly related to consumer spending with the acquisition of the Andix companies, makers of equipment for professional studios. The group's other divisions - Fanny, Mordaunt-Short and Goodmans - all performed well, he said.

Turnover rose 16 per cent to £48.78m (£42.06m), of which export markets, especially in the Far East, accounted for £16.5m. Earnings per share rose 31 per cent to 16.7p (12.7p).

The final dividend of 4p (2.4p) makes a total for the year of 6p.

Norton Opax improves to £14.7m

By Clay Harris

NORTON OPAX, the security printing and specialist packaging group, yesterday reported pre-tax profits of £14.7m for the six months to March 31.

Growth was restrained by the application of SSAP 24, the new accounting standard for pension costs. Even though Norton's full holiday on contributions is expected to continue into 1990-91, it was required to reduce reported profits by a £1.97m charge for notional pension costs.

Because the pre-tax figure for the first half of 1987-88 was restated from £14.1m to £12.7m for the same reason, the latest result represents a 15.7 per cent advance. Operating profits increased by 27.6 per cent to £19.7m, but interest costs more than quadrupled to £3.03m.

Loss of contract forces factory closure

By Andrew Hill

THE LOSS of a £5m contract with Barclays Bank earlier this year has forced Norton Opax to close its Basingstoke cheque-printing factory, making about 200 people redundant.

Norton lost the contract to print about 66 per cent of Barclays cheques in January, after more than 20 years. The loss immediately cast doubt on jobs at the group's three UK security printing plants.

Mr John Grainger, Norton's

director of UK operations, said: "We obviously evaluated all other alternatives, but there was a certain sense of inevitability."

The contract to print more than 300m cheques a year was the group's second largest - only Midland Bank buys more Norton cheques - and represented about 17 per cent of the cheque-printing operation's £30m annual turnover.

Remaining orders handled at

industries which subsequently said it had no present intention of mounting a bid.

The companies have had only one meeting since the stake changed hands, and Mr Richard Hanwell, chief executive, said yesterday of Norton's new shareholder: "It's just different. I can't say I'm any happier."

Turnover expanded to £148.46m (£129.58m). Earnings per share were 8.06p (5.38p), or 5.84p (5.3p) fully diluted. A £1.51m extraordinary debit (£455,000 credit) arising from the net loss on disposals reduced retained profit to £4.6m (£5.96m).

The interim dividend is raised to 1.75p (1.5p).

COMMENT

Norton is one of the first companies to suffer the cosmetic disfigurement of SSAP 24. In the absence of the new standard, pre-tax profits would still be on course for £38m or so; now an out-turn of £34m is more likely, inflating the prospective fully diluted p/e from 10.5 to nearly 12, on shares 3p lower at 165p. Any comparisons with similar companies or the broader market should bear this in mind, because Norton continues to get the cash benefit of its full pensions holiday. The underlying business, moreover, looks healthy, with Norton well-placed to absorb the effects of any shifts in the pattern of payment systems in the UK.

CE Heath continues on the road to recovery

By Nick Banker

CE HEATH, the London-based insurance broker and underwriter, raised pre-tax profits 20 per cent to £24.1m last year.

This continued the long haul back towards full recovery which began after its 1986 merger with Mr Richard Fielding's Fielding Insurance Group.

In spite of insurance markets with premium rates still dropping in the US and in the London market surrounding Lloyd's, the group's broking fee and commission income grew 14.4 per cent to £50.2m.

Pre-tax profits from the broking side were up 19 per cent at £16.8m after including investment income of £9.25m.

Heath's shares closed down 2p at 421p.

The figures showed though that more than half of the group's pre-tax profits for the 12 months ended March 31 came from its less well-known underwriting operations in Australia and Bermuda.

In Australia, where CE Heath Casualty and General insures risks in fields which include workers' compensation, public liability and professional indemnity, pre-tax profits were up 25 per cent at £8.5m.

However, Pinnacle, Heath's Bermuda-based financial reinsurer, suffered a drop in its pre-tax profits from £7.65m to £6.5m.

Although earnings per share were up from 25.1p to 31.8p, Heath is increasing its

total full-year dividend marginally from 25.675p to 25.875p.

COMMENT

For much of the last two years, Heath's share price performance was undermined by fears of a rights issue. With deals including the sale-and-leaseback of its Mincles head office, and the off-loading for £5m of about half of its shareholding in Trade Indemnity, the net debt/equity ratio is now down to about 80 per cent still high, but not critical. The problem for the shares now is that the next six months or so look unlikely to bring news which will propel them into a higher trading range. Broking expenses growth is under control at an underlying annual of 7.5 per cent, and Mr Fielding's broking teams are merely adding new accounts, particularly in the oil and gas fields. But only 35 per cent of Heath's £50m of broking is denominated in dollars, so it benefits from a stronger US currency less than do other companies in the sector. And only one-third of its broking business is marine, limiting potential rewards if the autumn upswing in premium rates forecast by some Lloyd's underwriters actually materialises. If Heath makes what analysts expect will be pre-tax profits of about £27.5m in 1989-90, and maintains its dividend again, the shares yield a gross five per cent prospectively. They have had a good run recently, and can now be expected to stagnate for a while.



Born to lead

GRANVILLE SPONSORED SECURITIES

High	Low	Company	Price	Change	div (%)	Yield (%)	P/E
340	330	Asst. Bt. Ind. Ordinary	340	0	10.3	3.0	9.2
38	35	Armitage and Rhodes	35	+1	0	0	5.8
33	25	BSE Design Group (USM)	30	0	2.7	1.4	32.5
210	199	Barclay Group	200	-10	6.7	5.4	-
124	121	Barclay Group G. Prof. (SE)	123	0	6.7	5.4	-
123	100	Bray Technologies	100	0	5.9	5.9	8.8
110	107	Breakwell Cas. Prof.	108	0	11.7	10.2	3.7
305	285	CEL Group Ordinary	295	0	14.7	8.4	-
174	168	CEL Group 11% Cum. Prof.	175	0	14.7	8.4	-
210	200	Carlini Pic (SE)	205	0	7.8	3.7	12.1
110	109	Carlini 7.5% Pref. (SE)	107	0	10.5	3.4	10.1
405	395	George Hilt	397	0	12.0	2.9	9.0
125	119	Isis Group	125	0	7.1	3.9	10.5
188	115	Jackson Group (SE)	180	0	7.5	6.5	4.3
322	281	Malhouse NV (Assesed)	281	0	18.7	4.0	12.4
115	95	Robert Heath	105	0	10.5	9.1	10.1
467	403	Somerset	407	0	10.7	9.1	-
290	270	Tosley & Co. (SE)	280	0	9.5	7.5	3.9
117	100	Tosley & Co. (SE) Prof.	107	0	9.5	7.5	3.9
122	92	Trenlin Holdings (USM)	96	-2	2.7	2.9	10.5
127	106	Wiltshire Europe Cas. Prof.	107	0	9.5	7.5	3.9
395	355	Veterinary Drug Co. Plc	360	0	15.2	4.9	27.8
370	327	W.S. Yates	330	0	15.2	4.9	27.8

Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of the Stock Exchange. Other securities listed above are dealt in subject to the rules of the Stock Exchange.

NFC announces the first new logistics company designed for the 1990s

If distribution is important to your business, the next decade will bring its own new opportunities - and problems. To help you exploit the one and solve the other, NFC has created a major new company: EXEL Logistics.

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INTERNATIONAL TELECOMMUNICATIONS

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17 JULY 1989

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UK COMPANY NEWS

Group profit advance held back by 1988 figures inflated by £14.6m Pilkington rises 7.6% to £325.2m

By Vanessa Houlder

PILKINGTON, the international glass manufacturer, yesterday announced a 7.6 per cent rise in pre-tax profits from £292.3m to £313.2m for the year ended March 31.



Anthony Pilkington - higher quality earnings as a result of a better worldwide balance, and increased profits from Visioncare department. There were no strong imperatives for action during the year, he said.

and reinforcements £17.5m (£25m); Visioncare £34.9m (£15m) in 15-month period; Optronics £2.4m loss (£5.7m profit); other trading companies £1.5m (£3.4m) group licensing income £28.5m (£24.7m); group expenditure was up at £17.4m (£7.6m).

There was an extraordinary debit of £24.4m (£5.7m), due to the costs of restructuring the US safety glass business. Group capital expenditure totalled £217m; acquisition costs amounted to £17.5m, most of which was the purchase of remaining shares in Pilkington ACI Australia and New Zealand Window Glass.

Gold Fields to rejoin US court litigation

By Kenneth Gooding, Mining Correspondent

CONSOLIDATED GOLD FIELDS, the diversified UK mining group, is to rejoin the litigation in the US which started during the £3.5bn bid battle with Minarco, the South African-controlled investment group.

It was the refusal of a New York judge to lift an injunction forbidding Minarco to buy any more Gold Fields' shares which led to Minarco admitting defeat.

Minarco has appealed against the court's ruling and Newmont Mining, Gold Fields' 49 per cent-owned gold mining associate in the States, has said it will pursue its claims against Minarco to trial.

Gold Fields suggested last night it was likely to become involved in the US action in any event and it was rejoining the litigation "to protect the commercial interests of the company and its shareholders."

Gold Fields withdrew from the case after the City Panel on Takeover and Mergers, the city's watchdog organisation, ruled that the board should obtain shareholders' approval to continue the action.

The company said last night that, if in the future it ever appeared that the US case might frustrate an offer for Gold Fields, it would ask shareholders for their approval to continue the litigation.

Private company builds Hicking stake

By Ray Bashford

HICKING FENEGOST, the Nottingham-based knitwear manufacturer and dyer, has another unwelcome shareholder on its register.

For the fifth time during the past 12 months a parcel of more than 15 per cent of the company's capital has changed hands.

Euro Investments, a private investment company, has acquired a 17.1 per cent holding and bought additional shares to lift its holding to 22 per cent.

The parcel was purchased at 102p a share and the 4.9 per cent stake for 99p compared with yesterday's closing price of 109p.

Mr John Carlson, a director of Euro Investments, yesterday told Mr Stephen Hyde, the managing director of Hicking Fenegost, that the stake had been acquired as an investment.

The parcel was bought from Robertshaw Holdings, a private company run by Mr Stuart Robertshaw, a Yorkshire businessman, who moved into the company last February after paying 89.5p a share for a 14.88 per cent block.

The Robertshaw parcel was bought from Parkfield Group, the industrial holding company, which in turn purchased its stake from Teknos, the diversified engineering group.

Mr Hyde last week expressed concern about the volatility of the company's share register, which he said was interfering with the management's efforts to develop the company.

Property sales boost Mansfield to £9m

By Lisa Wood

MANSFIELD BREWERY yesterday reported pre-tax profits of £8.99m for the year to March 31 1989, an increase of 52 per cent on the previous year's £5.93m.

The outcome was boosted by £1.46m (£127,000) from the sale of properties and also reflected reduced finance charges of £2.93m (£4.21m).

The brewer, which has been seeking to redress what it described as the unsatisfactory performance of the previous year, increased earnings per share from 25.2p to 41.6p. A final dividend of 7.25p has been recommended, making a total of 2.9p (9p).

Mansfield said at the interim stage that the profit decline had been arrested and the full year's results illustrated the improvements made.

Total sales were £77.13m compared with £38.74m, reflecting the disposal of the brewer's soft drinks business in February 1988. Operating profits increased from £10m to £10.46m.

Mansfield said the decline of draught beer sales had slowed with sales assisted by the introduction of Courage's Foster's lager and Mansfield's own Riddling Cask conditioned bitter.

Shake-up at Lynx

Two major shareholders in Lynx Group, the electronic equipment design and manufacture company, have taken control of the board and unseated three directors.

Mr Eddie George has replaced Mr David Taylor as chief executive and Mr Finchcliffe, a director of James Wilkes, will become chairman, replacing Mr Keith Negal. Mr Andrew Hartley, another director of James Wilkes, replaces Mr Michael Foster.

Mr Finchcliffe has a 13.7 per cent stake and Mr George a 17.15 per cent holding.

Lucas pays £7.9m for aerospace acquisition

By Richard Tomkins, Midlands Correspondent

LUCAS INDUSTRIES, the aerospace, automotive and industrial systems group, yesterday announced the latest in a flurry of moves in its aerospace division with agreement to buy Avitron International from Smiths Industries for £12m (£7.9m).

Avitron, based in Stamford, Connecticut, operates an international marketing service for aerospace components suppliers, selling their products to original equipment manufacturers.

The acquisition is the fourth move this week in Lucas Industries' aerospace division. Earlier it announced a joint venture to start making space control systems in Spain, the long-awaited disposal of its aerospace business in Lancashire, and a partnership with Lockheed of the US in space cytogenetics.

Anglo attacks Coalite's profit record and strategy

By David Waller

ANGLO UNITED, the open-cast coal-mining and fuel distribution group which has launched a £400m cash bid for the much bigger Coalite, yesterday launched a stinging attack on its takeover target.

In its latest circular, Anglo condemned both Coalite's recent results and its strategy of diversifying away from its core business of fuel manufacturing and distribution.

According to Anglo, Coalite's earnings per share have grown at a compound 23 per cent per annum over the last four years but this has been achieved by a 50 per cent increase in the number of shares.

Anglo argued that the record had been confused by a failure to disclose separately the profit on asset sales and that Coalite's dividend policy is unclear after a 54 per cent hike in the final payout for last year, announced last week.

Anglo blamed the performance record on Coalite's "lack of effective strategy or direction", arguing that the strategic confusion was reflected in declining profits from the fuel businesses, an area where Anglo claims a record of increasing profits over the last two years.

It cited the example of Coalite's position in four key markets - builders merchants, waste disposal, vehicle distribution and quarrying - to support its point that in each of these sectors, Coalite "cannot achieve sufficient scale to compete effectively with the much larger and more focused market leaders in each individual sector."

document, saying that it contained no significant new arguments. It defended its latest results - saying that a 13.2 per cent increase in earnings per share was very creditable in the light of the warmest winter on record. It defended its strategy by pointing to profit rises for the construction and environment and trading activities of 80.6 per cent and 53.9 per cent respectively.

It argued that the management record was vindicated by 14 years of unbroken increases in profits, and said that the offer price remained derisory. As far as dividend policy was concerned, Mr Eric Varley, chairman, said that the level of cover gave plenty of scope for increases in the future. Coalite's shares rose 1p to 445p, 20p above Anglo's offer of 425p cash per share.

Control Techniques advances 50% to £1.6m midterm

By John Harding

A STRONG second quarter lifted Control Techniques, the Welsh-based manufacturer of electronic variable speed drives, to pre-tax profits of £1.61m for the six months to March 31, an increase of 50 per cent.

Turnover increased from £10.5m to £16.2m but earnings per share remained unchanged at 6.4p, reflecting the rights issue in July 1988. There is an interim dividend of 1.5p (1.5p).

man, described the result as "very satisfactory" and said that all of the subsidiaries were operating profitably.

He added that Soprel, the Milan-based manufacturer of servo drives in which the company took a 51 per cent stake last August, and Control and Readout, the process control manufacturer which was acquired in October, had been successfully integrated.

Since the beginning of June, Control has acquired a 2.3 per cent stake in Rotork, a manufacturer of valve controls. Mr Mike Robins, finance director, said yesterday that the shares were being held as an investment.

According to the company, current strategy involves the development of the process control division so that it has similar sales and profits as the motion control division.

Eagle Trust chief executive resigns

By Philip Coggan

MR JOHN FERRIDAY has resigned as chief executive of Eagle Trust, the multi-conglomerate, he helped to create through the three-way merger of Anglo-Tropic Holdings, Mitchell Summers and Midland City Partnership.

Mr Malcolm Stockdale, who became chairman of Eagle last month after his US company Ironquills Brands took a 15 per cent stake, will assume the role of chief executive.

Yesterday Mr Stockdale was once again unavailable for comment. Eagle's shares were suspended in May pending publication of the preliminary results and a chairman detailing "certain major proposed transactions."

Since then, shareholders have seen Mr Stockdale become chairman, takeover talks abandoned, the appointment of Feat Marwick to conduct an in-depth review of

Eagle's accounts and the replacement of the group's financial adviser and broker.

The Feat Marwick review, which is concentrating on the group's subsidiary in the automobile-related business, should be completed later this month and the results should be published in July.

Mr Ferriday owns around 3 per cent of Eagle's shares. The group's capitalisation at the suspension price was £188m.

Sotbehy's quarterly dividend up

By Edward Susseman

SOTBEHY'S HOLDINGS, the international art auctioneer, has boosted its dividend from 6.25 to 10 US cents for the second quarter of 1989 and declared a "one-for-one" scrip issue.

Since a simultaneous flotation in London and on the American Stock Exchange in May 1988, Sotbehy's shares have more than doubled in value. In London yesterday, the shares rose 65p to £28.50, against the 900p at which they began trading a year ago.

The new capitalisation issue is intended to make the shares "more attractive for individual investors in both the US and UK," said Mr Michael Ainslie, chief executive.

The increased dividend and scrip issue reflect Sotbehy's "confidence in the future," he added. In May, Sotbehy's net pre-tax profit increased 8 per cent to £8.36m (£5.5m) in the three months to March 31.

The bonus issue will apply to the publicly traded class A limited voting common shares and to privately controlled class B common shares.

USH shares up on sale plan

By John Thornhill

Shares in United Scientific Holdings, the troubled defence equipment manufacturer, yesterday rose 15p to 100p, after the company announced it was in discussions about the possible sale of its US electro-optic interests.

Optic Electronic and Misc, based in Dallas, manufactures electro-optical defence systems and image intensification tubes. The businesses have a turnover of about \$50m (£38m) and analysts believe they could fetch around \$40m.

Earlier this month, USH reported a £2.5m loss for the half year to the end of March because of continuing problems at its Avimo subsidiary in the UK.

Austin Reed warns Mr Barry Reed, chairman of Austin Reed, said at the annual meeting that the company was being hit by lower than planned retail sales in the south east and first half profits would be lower.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Current dividend, Total for last year. Lists dividends for companies like Alkermid, Bredford Group, Cable and Wireless, etc.

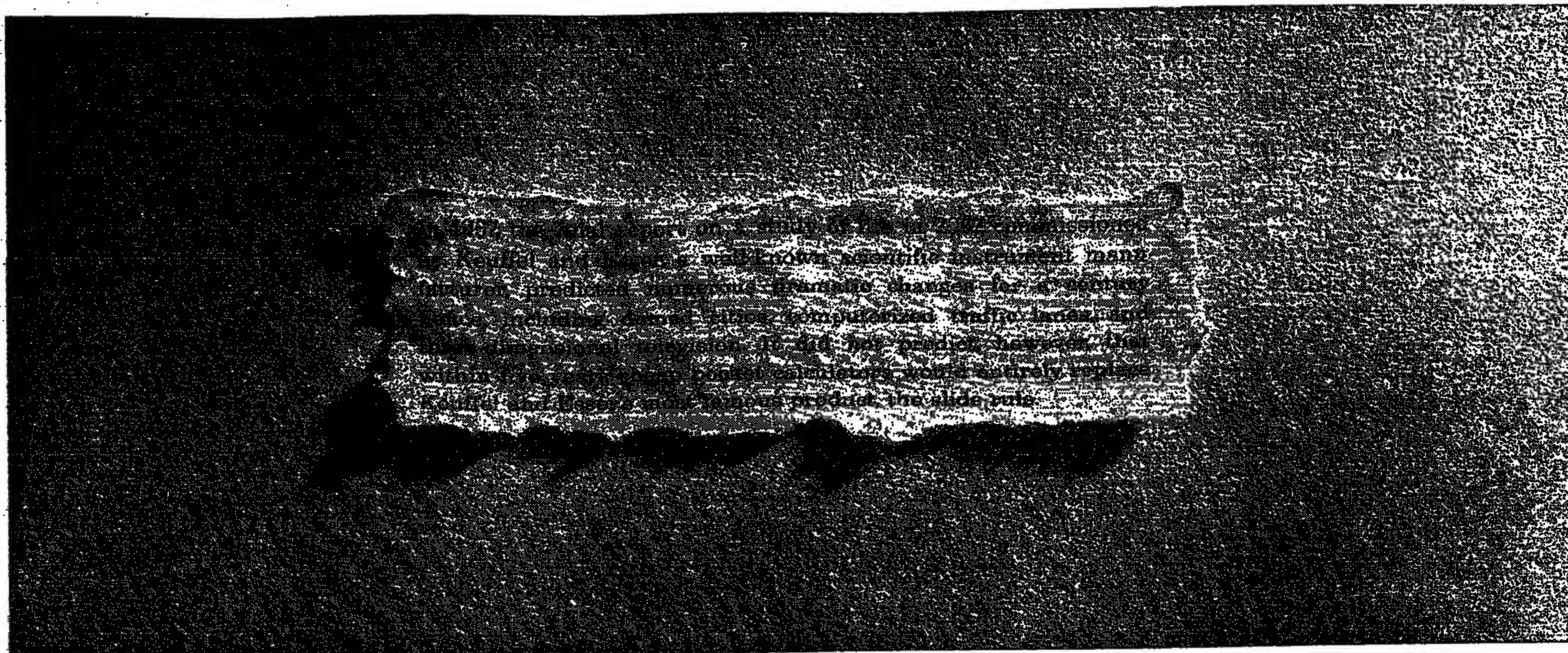
BOARD MEETINGS

Table with columns: Company, Date. Lists board meetings for companies like Anglo-Tropic, Anglo-Continental, etc.

EXHIBITIONS

Discover Latin America... in Rotterdam. Visit EuroLatina II and meet hundreds of entrepreneurs from 14 Latin American countries with a wide range of non-traditional quality products which are specifically of interest to the European market. The countries: Argentina, Brazil, Colombia, Costa Rica, Cuba, Ecuador, Honduras, Mexico, Nicaragua, Panama, Peru, El Salvador, Trinidad and Tobago, Uruguay.

BSN has acquired five of the European food businesses of RJR Nabisco, Inc. The undersigned acted as financial advisers to BSN. Lazard Frères & Cie, Lazard Frères & Co., Lazard Brothers & Co., Limited.



Nobody can afford to be complacent in business. Nobody.

THE FUTURE

In fact, winners always look to the future and always

DOESN'T HAPPEN TO

question everything. And, that way, they keep one step

SOMEONE ELSE.

ahead of their competitors. But keeping ahead costs

money – you may want to develop new markets, expand

IT'S GOING TO HAPPEN

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TEL: 415 854 3330. 3i SA, PARIS, FRANCE, TEL: 46 40 9999.
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LTD, ST HELIER, JERSEY, TEL: 0534 38229. 3i AUSTRALIA
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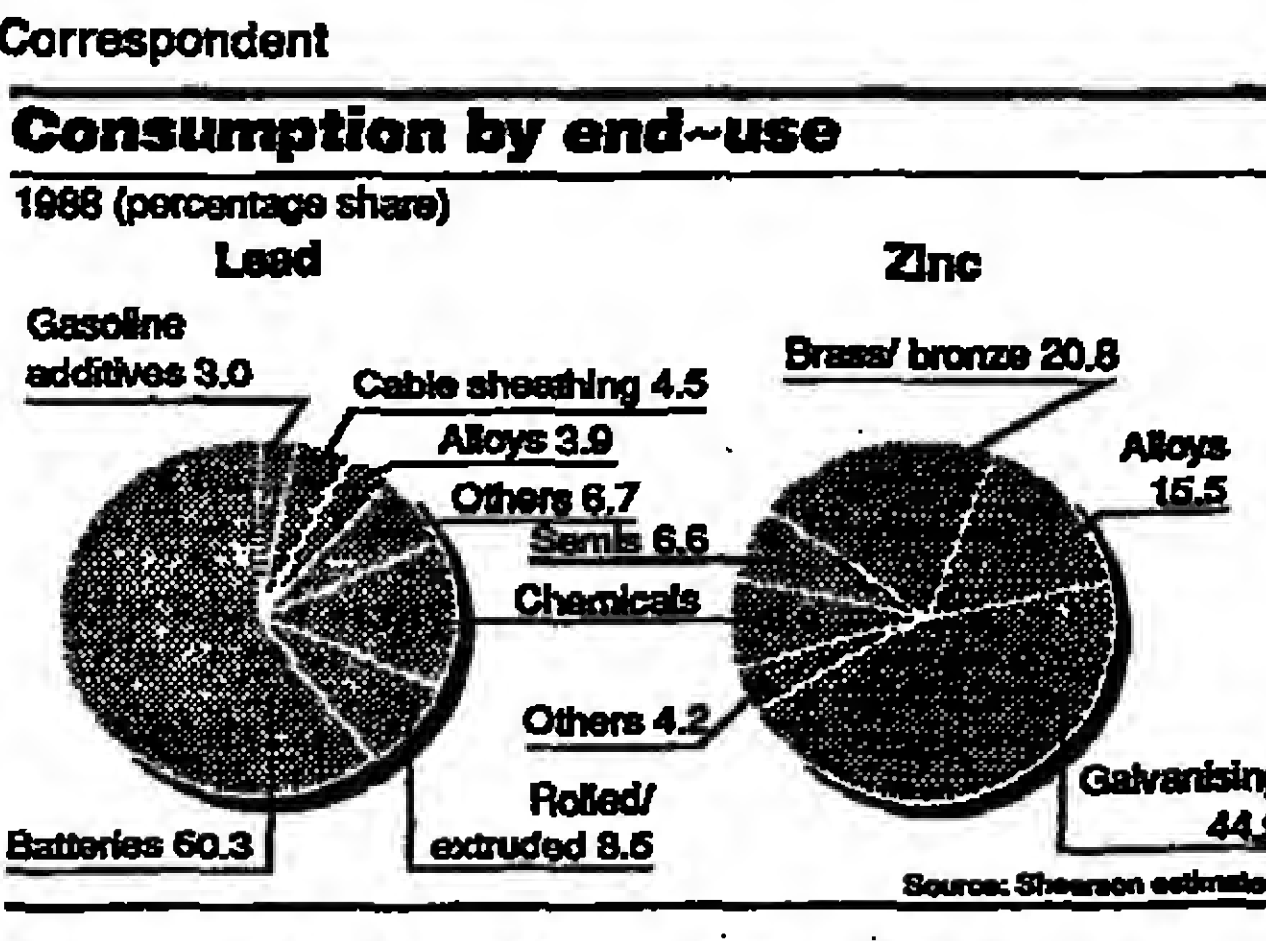
INVESTORS IN INDUSTRY

MAKE IT YOUR BUSINESS TO CHANGE

COMMODITIES AND AGRICULTURE

Zinc supply forecast to stay tight

By Kenneth Gooding, Mining Correspondent
THERE HAS been a dramatic shift in focus within the zinc industry in the past 18 months according to Shearson Lehman Hutton, the securities house. Half-hearted and unsuccessful attempts at rationalisation to cut production capacity in western Europe have given way to worries about where the capacity will come from to satisfy demand, it says in its annual review of the lead and zinc industries.



supply. Shearson expects zinc prices to trend downwards as the bull market in base metals comes to an end. Having averaged \$1,920 a tonne in the first quarter of this year, the London Metal Exchange cash price for special high grade zinc is forecast to average \$1,700 in the second quarter. A second-half average of \$1,600 a tonne should lead to a 1989 average of \$1,710.

"In our view supply has now caught up with and overtaken demand. We are looking for a surplus of 25,000 tonnes this year followed by a 65,000 tonne surplus in 1990," says the review. Consequently, lead prices, which have rallied in recent months, are forecast to drift lower in the second half of the year "unless there is a surge of speculative interest."

Strike halts Belgian copper shipments

By Kenneth Gooding, Mining Correspondent
WESTERN EUROPE'S biggest copper producer, Metallurgie Hoboken-Overpelt (MHO), part of Belgium's Union Minière group, yesterday told customers it could not fulfil its contracts and declared force majeure because of a strike at its Olen plant.

Gill & Duffus boosts cocoa surplus estimate by 55 per cent

By David Blackwell
GILL & DUFFUS, the London trade house, has dramatically increased its estimate of the world cocoa surplus for the current season.

Production is now likely to exceed consumption by 308,000 tonnes, according to the company's latest cocoa market report. This is 55 per cent above its last estimate, made in March, of 198,000 tonnes - itself an increase of 18,000 tonnes over the November forecast.

Brazil suspends coffee export stamp auction

By John Barham in Sao Paulo
MR JORIO DAUSTER, president of the Brazilian Coffee Institute (IBC), suspended a monthly auction of export rights due to be held yesterday afternoon. Mr Dauster said the auction would be held next week instead.

Saudi oil find confirmed viable

By Finn Barre in Riyadh
A NEW oil well south of Riyadh has confirmed the existence of a commercially viable Saudi Arabian field in a region that up until now has yielded no petroleum.

half that level. That means that the well may not be major find, but it is certainly commercially viable. Al-Hawtah Well No. 1, has yielded well with an API (American Petroleum Institute) gravity of 49 degrees and with a low sulphur content of 0.08 per cent.

Lords told nitrate curb fears overstated

By Bridget Bloom, Agriculture Correspondent
BRITISH FEARS that the most productive farmland in East Anglia would have to be sown to grass if nitrate controls proposed by the European Commission were implemented were greatly exaggerated, a senior commission official suggested yesterday.

OECD says farm support down 5%

By Bridget Bloom
SUPPORT FOR agriculture by the governments of the industrialised world fell by 5 per cent last year compared with 1987 but this was due "not to policy changes but to random factors which are not likely to recur," according to a report from the 23-member Organisation for Economic Co-operation and Development.

agricultural commodities, principally because of the North American drought in the case of cereals and the European Community's milk production quotas in the case of dairy products.

LONDON MARKETS

Table with columns for Commodity, Price, Change. Includes Tin prices, Brent Blend, Oil products, and various metals.

COCOA 25,000 lb/cwt

Table with columns for Date, Close, Previous, High/Low. Shows cocoa price fluctuations from July to May.

LONDON METAL EXCHANGE

Table with columns for Commodity, Price, Change. Lists various metals like Aluminium, Copper, Lead, and Zinc.

LONDON MILLION BALES

Table with columns for Commodity, Price, Change. Lists cotton and other textile commodities.

US MARKETS

Table with columns for Commodity, Price, Change. Lists US market prices for metals and other goods.

Chicago

Table with columns for Commodity, Price, Change. Lists Chicago market prices for soybeans, wheat, and other grains.

NEW YORK

Table with columns for Commodity, Price, Change. Lists New York market prices for gold, silver, and other commodities.

Source: Shearson estimates. * Annual Review of the World Lead and Zinc Industries 1988. £1,000 or \$2,000 from Shearson Lehman Hutton, 1 Broadgate, London EC4M 3EA

LONDON STOCK EXCHANGE

Late burst of confidence in equities

AN ABSENCE of further... Today brings the latest US trade figures and the regular policy meeting at the Bundesbank...

Account Dealing Dates table with columns for First Dealing, Option Dealings, Last Dealings, and Account Days.

European stocks provided the backbone for the late improvement in share prices yesterday. The FT-SE Index regained the 2,130 mark...

interest rates. For most of the day the market was almost at a standstill, as equity strategists kept glancing over their shoulders at the progress of sterling...

of some good US support for selected issues take the index gain into double figures. At its final reading of 2,133.6, the FT-SE Index was a net 10.6 up on the day...

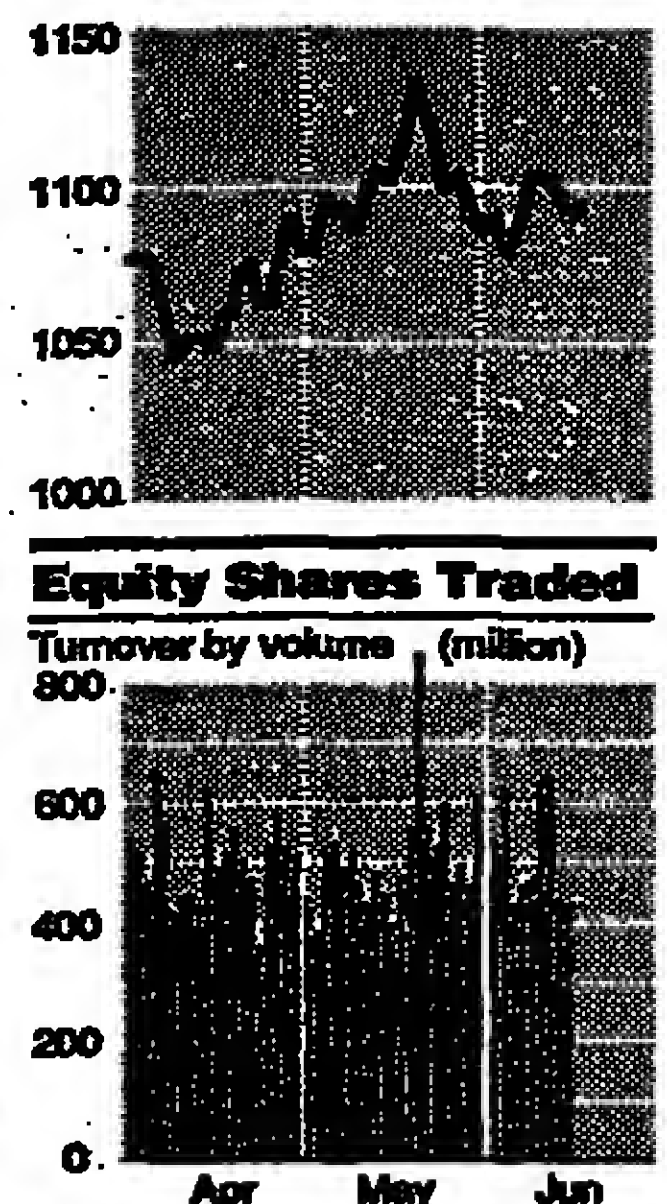
could be tested further on the downside, perhaps to as low as FT-SE 2,050 according to some chartists. There is still some uncertainty over official policies towards sterling and interest rates...

C&W delivers surprise

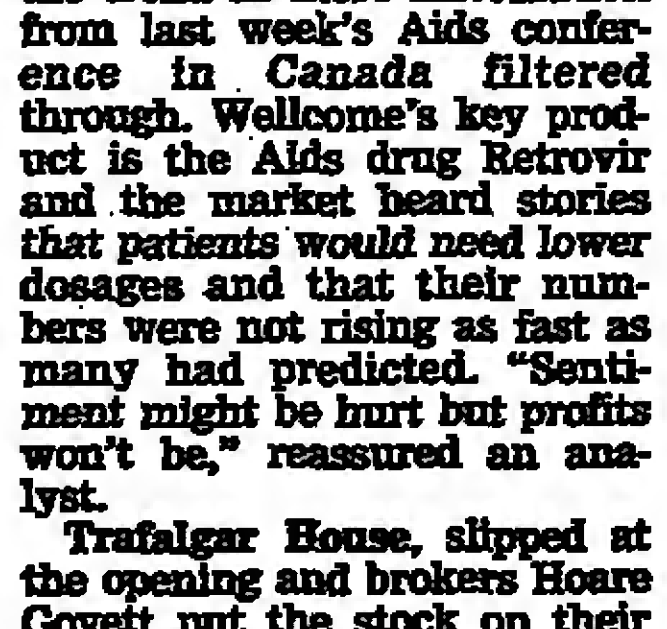
Preliminary figures from Cable & Wireless (C&W), the telecommunications and electronics group, came as a pleasant surprise to the market...

berg Kravis Roberts (K&R) withdrew from talks on takeover moves. Ineos, the consortium offering to buy the company at 210p a share, bought overnight and continued their spree until lunchtime...

FT-A All-Share Index



Equity Shares Traded



stimulated by further consideration of the good performance of Proteol, the Unilever's US competitor. RAA recovered 2 of Tuesday's sharp fall to close at 245p as the company's broker, Hoare Govett, reiterated its view...

year, "and by December, 13 per cent will be even further ahead of the market average as recession bites." An old story that United Biscuits was about to sell its Pizazz and Wimpy restaurant chains took hold in the early afternoon...

Amersham falls

Amersham International crumpled on news of a 15 per cent fall in full year profits. The stock touched 450p before closing at 463p, a net fall of 40. Trading was busy as institutions cut their weightings...

Wellcome weakened against the trend as more information from last week's Aids conference in Canada filtered through. Wellcome's key product is the Aids drug Zalcitabine...

Wells Fargo, slipped at the opening and brokers Hoare Govett put the stock on their buy list when the price touched 435p. James Capel were said to have made the same move and the interest helped the price recover sharply to close at 354p...

US buying also boosted Unilever, up 11 at 872p. One analyst said that interest was stimulated by further consideration of the good performance of Proteol, the Unilever's US competitor...

FINANCIAL TIMES STOCK INDICES

Table of financial times stock indices including Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, P/E Ratio, and S.E. Activity.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks with columns for Stock, Value, and Price.

Action in the retailing sector was concentrated on the top quality end of the market with Marks and Spencer continuing to attract sustained institutional support and closing a further 2 1/2 ahead at 191p after turnover of 4.5m. Burton, where turnover of 3.8m was boosted by US interest, settled a fraction off at 206p...

Other market statistics, including FT-Archives Share Index and London Traded Options, Page 28

NEW HIGHS AND LOWS FOR 1989

- List of new highs and lows for 1989 including companies like Amersham, Cable & Wireless, and Unilever.

APPOINTMENTS

- List of appointments including Mr. H.J. Heikema, Mr. David Scott, and Mr. John C. Williams.

KNITTING & CLOTHING EXPORT COUNCIL

- List of appointments for the Knitting & Clothing Export Council, including Mr. Brian Smith and Mr. Frank Holmes.

CHANGES AT LLOYDS BANK

- List of changes at Lloyds Bank, including Mr. Paul Gibbs as general manager and Mr. Richard Newman as a director.

BUSINESS LAW

How judges can be out of touch with public opinion

By Clive Boxer

There is little doubt that the public would be surprised to learn of some of the decisions reached by the Court of Appeal judges when applying the present common law. All too often, it seems, judges are applying "policy" principles to their decisions...

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-926-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust Managers, Abn-Amro, and others, with columns for name, type, and price.

Table listing unit trusts including ACC Unit Trusts, Acton, and others, with columns for name, type, and price.

Table listing unit trusts including Alliance, Allstate, and others, with columns for name, type, and price.

Table listing unit trusts including Amalgamated, Amersham, and others, with columns for name, type, and price.

Table listing unit trusts including Anglo, Anglo-Scottish, and others, with columns for name, type, and price.

Table listing unit trusts including Anson, Anson-Scottish, and others, with columns for name, type, and price.

Table listing unit trusts including Arden, Arden-Scottish, and others, with columns for name, type, and price.

Table listing unit trusts including Arden, Arden-Scottish, and others, with columns for name, type, and price.

Table listing unit trusts including Arden, Arden-Scottish, and others, with columns for name, type, and price.

GUIDE TO UNIT TRUST PRICING. This section provides instructions on how to read unit trust prices, including details on bid and offer prices, and how to calculate the net asset value.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Offer, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OFFSHORE AND OVERSEAS MANAGEMENT SERVICES' and 'GUERNSEY (ISB RECOGNISED)'. The table lists numerous trusts such as 'Prudential Life Assurance Co Ltd', 'Scottish Equitable Life Assurance Co Ltd', and 'Target Life Assurance Co Ltd'.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cyteline. To obtain your free Share Code Booklet ring the FT Cyteline help desk on 01-225-2128

AMERICANS - Contd. Table with columns for company name, price, and other financial data.

BUILDING, TIMBER, ROADS Contd. Table with columns for company name, price, and other financial data.

DRAPERY AND STORES - Contd. Table with columns for company name, price, and other financial data.

ENGINEERING Table with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) - Contd. Table with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) - Contd. Table with columns for company name, price, and other financial data.

CANADIANS Table with columns for company name, price, and other financial data.

BANKS, HP & LEASING Table with columns for company name, price, and other financial data.

ELECTRICALS Table with columns for company name, price, and other financial data.

FOOD, GROCERIES, ETC Table with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) - Contd. Table with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) - Contd. Table with columns for company name, price, and other financial data.

BANKS, HP & LEASING Table with columns for company name, price, and other financial data.

CHEMICALS, PLASTICS Table with columns for company name, price, and other financial data.

DRAPERY AND STORES Table with columns for company name, price, and other financial data.

FOOD, GROCERIES, ETC Table with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) - Contd. Table with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) - Contd. Table with columns for company name, price, and other financial data.

BEERS, WINES & SPIRITS Table with columns for company name, price, and other financial data.

DRAPERY AND STORES Table with columns for company name, price, and other financial data.

DRAPERY AND STORES Table with columns for company name, price, and other financial data.

HOTELS AND CATERERS Table with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) Table with columns for company name, price, and other financial data.

INSURANCES Table with columns for company name, price, and other financial data.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

INSURANCES - Contd

Table listing insurance companies and their share prices, including Royal Indemnity, Commercial Union Assurance, and others.

LEISURE

Table listing leisure-related companies such as British Airways, British Airways PLC, and others.

MOTORS, AIRCRAFT TRADES

Table listing companies in the motor and aircraft trades, including British Aerospace and others.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies like News International and others.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies such as Newsprint and others.

PAPER, PRINTING, ADVERTISING - Contd

Continuation of paper, printing, and advertising companies.

PROPERTY

Table listing property-related companies and their share prices.

COMMERCIAL VEHICLES

Table listing commercial vehicle companies.

COMPONENTS

Table listing component manufacturers.

GENERATORS AND DISTRIBUTORS

Table listing generator and distributor companies.

SHIPPING

Table listing shipping companies.

SHOES AND LEATHER

Table listing shoes and leather companies.

TEXTILES

Table listing textile companies.

TOBACCO

Table listing tobacco companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies.

INVESTMENT TRUSTS

Table listing investment trusts.

FINANCE, LAND, ETC

Table listing finance, land, and other companies.

TRUSTS, FINANCE, LAND - Contd

Continuation of trusts, finance, and land companies.

FINANCE, LAND, ETC

Continuation of finance, land, and other companies.

OIL AND GAS

Table listing oil and gas companies.

OIL AND GAS - Contd

Continuation of oil and gas companies.

OVERSEAS TRADERS

Table listing overseas traders.

PLANTATIONS

Table listing plantation companies.

RUBBERS, PALM OIL

Table listing rubber and palm oil companies.

TEAS

Table listing tea companies.

MINES

Table listing mining companies.

O.F.S.

Table listing O.F.S. companies.

DIAMOND AND PLATINUM

Table listing diamond and platinum companies.

Central African

Table listing Central African companies.

MINES - Contd

Continuation of mining companies.

MISCELLANEOUS

Table listing miscellaneous companies.

THIRD MARKET

Table listing third market companies.

NOTES

Notes section providing details on share prices, dividends, and company information.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks.

TRADITIONAL OPTIONS

Table listing traditional options.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound await data

TRADING WAS quiet and steady on the foreign exchanges yesterday, but this could be a lull before a storm...

The two currencies are suffering from totally different pressures at present, with the dollar very firm and sterling vulnerable to any bad news.

Market sources suggested the Bank of England may have intervened yesterday to support the pound at around \$1.5140...

The market was left in a situation of jockeying for position ahead of today's announcement of the April US trade figures...

tions in the belief the trade data will be good. According to MMS International, the median estimate for the April deficit is \$8.7bn...

Last night in London the dollar closed at the day's high of DM2.0300 compared with DM2.0280 on Tuesday...

Sterling was reasonably steady, awaiting today's economic data. Fears of a rift within the UK Government on economic policy continued to weigh on the pound...

The pound eased 10 points to \$1.5150, but rose to DM3.0750 from DM3.0725 and to FF110.4225 from FF110.4150...

The pound eased 10 points to \$1.5150, but rose to DM3.0750 from DM3.0725 and to FF110.4225 from FF110.4150...

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries including Belgium, France, Germany, Italy, Netherlands, Spain, and UK.

£ IN NEW YORK

Table showing £ in New York rates for various currencies and time periods.

STERLING INDEX

Table showing Sterling Index values for various countries and time periods.

CURRENCY RATES

Table showing currency rates for various countries including Australia, Canada, Hong Kong, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies like Sterling, US Dollar, etc.

OTHER CURRENCIES

Table showing other currencies like Australian Dollar, Canadian Dollar, etc.

MONEY MARKETS

UK rates unsettled

UK INTEREST rates held steady in London yesterday as sterling showed little overall change after the sharp losses seen earlier in the week...

The Bank of England forecast a surplus of around £50m. Factors affecting the market included bills maturing in official hands and a take up of Treasury bills...

The Bundestag has announced that there will be no new conference after today's meeting of the central council...

cent on Tuesday while the one-year rate was quoted at 14.7-14.8 per cent from 14.7-14.8 per cent.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot - Forward Against the Pound rates for various currencies.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot - Forward Against the Dollar rates for various currencies.

EURO CURRENCY INTEREST RATES

Table showing Euro Currency Interest Rates for various currencies and maturities.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

MONEY RATES

Table showing Money Rates for various currencies.

LONDON MONEY RATES

Table showing London Money Rates for various currencies.

FINANCIAL FUTURES

Nervous tone persists

INTEREST RATE futures lost ground in the sterling sector of the Life market yesterday. While values finished down from Tuesday's close, there was a small recovery from the record lows touched on Tuesday...

The September contract opened at 85.39 and fell to a low of 85.32 before closing at 85.33 compared with 85.42 previously.

Estimated volume total, Calls 520 Puts 1251. Previous day's open, Calls 4819 Puts 13094.

Estimated volume total, Calls 0 Puts 0. Previous day's open, Calls 250 Puts 1400.

LONDON (LIFFE)

Table showing LONDON (LIFFE) futures data for various contracts.

CHICAGO

Table showing CHICAGO futures data for various contracts.

EUROPEAN OPTIONS EXCHANGE

Table showing European Options Exchange data for various currencies and options.

UK authorities may have to increase bank base rates in an attempt to stem the pound's fall. Much will depend on UK average earnings, due for release today.

Elsewhere, West Germany bond futures rose after a generous allocation of funds by the Bundesbank to the money market.

Estimated volume total, Calls 10 Puts 51. Previous day's open, Calls 250 Puts 1400.

Estimated volume total, Calls 10 Puts 51. Previous day's open, Calls 250 Puts 1400.

EURO CURRENCY INTEREST RATES

Table showing Euro Currency Interest Rates for various currencies and maturities.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

MONEY RATES

Table showing Money Rates for various currencies.

LONDON MONEY RATES

Table showing London Money Rates for various currencies.

Euro-dollar futures were slightly easier as cash rates showed a firmer tendency, mainly as a defensive move ahead of today's figures.

US Treasury bond prices were virtually unchanged, in line with the dollar's steadier tone ahead of US trade figures, also due for release today.

Estimated volume total, Calls 10 Puts 51. Previous day's open, Calls 250 Puts 1400.

Estimated volume total, Calls 10 Puts 51. Previous day's open, Calls 250 Puts 1400.

EURO CURRENCY INTEREST RATES

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FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

MONEY RATES

Table showing Money Rates for various currencies.

LONDON MONEY RATES

Table showing London Money Rates for various currencies.

FAIRBANKS FINANCIAL MORTGAGES/REMORTGAGES ARE YOU AWARE THAT THERE IS FOREIGN INTEREST IN YOUR MORTGAGE? * ECU loans at 10% fixed * Deutschmark loans at 9.25% * Sw. Franc loans at 9.75% * MULTI CURRENCY FACILITIES ALSO AVAILABLE * Rates correct at time of going to Press

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JOTTER PAD

CROSSWORD No.6,960 Set by VIXEN

CROSSWORD grid with clues: 1 Left at home to occupy 24 across (8) 2 A bear the winter issue (6) 3 His states quite positively a rooster's to be changed (8) 4 The young create disorder (6) 5 Feeding a nose isn't well-shopped (8) 6 In time engineers concur (5) 7 Some regret only going to one school (4) 8 People entitled always to have an attendant around (7) 9 The French way to pocket regular income (7) 10 Sound lid shafts (4) 11 Foster could give the railwayman points (6) 12 Rate a water supply essential for a plant (8) 13 Pay a call and find the joint all right inside (4,3) 14 A guy's great fear of a certain state of Europe (6) 15 Disinclined for poetry? (6) 16 Released converse (6) 17 A woman cut everything up (8) 18 In perpetuum nevertheless (6) 19 A little plaster seems best for fungus (4) 20 Jingle about fish that's staggering (7) 21 A Greek character surrounded by pet food (6) 22 Writing up a record, detectives will be quiet (6) 23 Opted to build up a store (5) Solution to Puzzle No.6,959

BASE LENDING RATES Table showing base lending rates for various banks and currencies.

WORLD STOCK MARKETS

Main table of world stock markets including Australia, France, Germany, Italy, Japan, and various regional indices. Columns include stock names, prices, and percentage changes.

CANADA

Table of Canadian stock markets including Toronto and Montreal. Columns include stock names, prices, and percentage changes.

INDICES

Table of various stock indices including Dow Jones, Nikkei, and others. Columns include index names, values, and percentage changes.

CANADA

Table of Canadian active stocks including Toronto and Montreal. Columns include stock names, prices, and percentage changes.

TOKYO - Most Active Stocks

Table of most active stocks in Tokyo. Columns include stock names, prices, and percentage changes.

NEW YORK ACTIVE STOCKS

Table of active stocks in New York. Columns include stock names, prices, and percentage changes.

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Your FT hand delivered in Germany

Text describing the service of having the Financial Times delivered to homes in Germany. Includes contact information for Frankfurt 0130-5351.

3pm prices June 14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of stock prices with columns for 12 Month High, Low, Stock, Div, Yld, P/E, High, Low, Change, Prev. Close, and various other financial metrics.

Continued on Page 45

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, and change. Includes a 'Congested from previous page' section at the top left.

OVER-THE-COUNTER

Nasdaq national market, 3pm prices June 14

Table of Over-the-Counter prices listing various stocks with columns for stock name, price, and change. Includes a 'Congested from previous page' section at the top left.

AMEX COMPOSITE PRICES

3pm prices June 14

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, and change.

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Advertisement for 'It's attention to detail' featuring the Financial Times and a logo for 'AMSTERDAM Marriott HOTEL'.

